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SENATE AND HOUSE OF REPRESENTATIVES.

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member for Corio by questioning his consistency. If there is any fiscal consistency to be found in this Committee it is to be found in the little party sitting in the Opposition corner. No argument which the honorable member for Moira can use will justify the position which protectionists occupy on the other side. The idea of an honorable member of his calibre talking to those who understand something of political matters in this Commonwealth, and telling us what consistency means when we find protectionists sitting behind the man who has declared all his life that he does not believe in their policy, and is determined to uproot it. It is simply marvellous that we should see on that side any protectionists, except those who are opposed to the progressive party known as the Labour Party. The party I see on the opposite benches place conservatism before radicalism or democracy every time.

Mr. REID.—Let us get these resolutions reported. The honorable member can get all this in on another occasion.

Mr. WEBSTER.—I know what it means to be in want of work. I know what it is to depend on my toil for daily bread, and the right honorable gentleman cannot appeal to me on that score in the crisis which is arising.

Mr. REID.—The honorable member can get the crisis at another stage.

Mr. WEBSTER. — When I see protectionists sitting behind a free-trade Prime Minister, who has sworn that he will throw himself across the track of the progressive party of Australia, all I can say is that if there is an inconsistent party in the House, it is themselves.

Mr. REID.—That is a good peroration.

Mr. WEBSTER.—That is an unnecessary interjection. I never waste the time of the House, nor do I indulge in useless repetition or transgress the rules of the House any more than my humble ability will deter me from doing. I desire to safeguard the Government against any loss of their emoluments tonight in the form of cab-fares, because I realize that the Labour Party when it crosses the floor may have to submit to some charges at the hands of the right honorable gentleman who, in his time, has been such an adept at "stone-walling." I sympathize with his anxiety to give work to the poor unfortunate unemployed in the various States. Having known what it is to carry my "bluey," without any food to eat, I can truly sympathize with the right honorable gentleman in his desire to help the unemployed, and therefore I now resume my seat.

Questions resolved in the affirmative.

Resolutions reported.

Motion (by Mr. REID) agreed to, *with concurrence*—

That the Standing Orders be suspended, in order to allow the report from the Committee of Ways and Means to be adopted, and the Bill for the Appropriation for Works and Buildings to be passed through all its stages without delay, and the Appropriation Bill to be read a first time.

Resolutions adopted.

Ordered—

That Mr. Reid and Sir George Turner do prepare and bring in Bills to carry out the foregoing resolutions.

APPROPRIATION (WORKS AND BUILDINGS) BILL.

Bill presented by Mr. REID, and read a first and second time.

In Committee:

Clause 1 agreed to.

Clause 2 (Issue and application of £404,240).

Mr. WATSON (Bland).—I desire to ask the Prime Minister whether the Government have reconsidered the question of the manner of charging these works and buildings. When the Budget debate was initiated, I raised the question as to the wisdom of departing from what has hitherto been the practice, and charging the cost of these works and buildings on a population basis. Of course, I admitted then that if the transferred properties were paid for immediately, no injustice would be done to any of the States through the new procedure, but that if for some years we put up works and buildings, especially defence works, in those States where no provision or little provision has been made in that regard, it meant that other States would for a considerable time to come have to bear a much larger proportion than they otherwise would, and larger than they should do. Leaving out of account the items for armament, totalling £180,000, and taking into consideration only the £300,000 odd, which are to go for works and buildings proper, including, of course, some works for defence purposes——

Mr. McCAY. — The total is only £130,000.

Mr. WATSON.—Although £130,000 is the amount to be spent this year, still we commit ourselves to an expenditure of £180,000. So far as New South

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Wales is concerned, there is a difference of only £10,000 between what is to be spent this year and her proportion of the total on a population basis. The proportion paid by New South Wales on a population basis would be £112,000, and the estimates of expenditure are £102,000. But the position is more accentuated in the case of Victoria. Her share, on a population basis, is £93,000, and the amount of money to be spent is £51,000, showing a deficiency of about £42,000. Western Australia, this year, will have spent £71,000 odd, and will have to pay, on a population basis, £18,000 odd. I have worked out these figures in accordance with the percentages of population shown in the Budget papers.

Mr. McCAY.—Are not the figures given in detail in the Budget papers?

Mr. WATSON.—I do not know; if they are I might have saved myself the trouble of working them out. In Queensland there is a difference of only £4,000, and in South Australia of about £4,000. Victoria and Western Australia are the two glaring cases.

Mr. McCAY.—Roughly speaking, Victoria is going to pay for some of the work in Western Australia.

Mr. WATSON.—Yes, that is the position, roughly speaking. Of course I do not pretend to say what the legal position is. The Treasurer's interpretation of the constitutional aspect of the question may be correct. But I do say that in the absence of any provision for payment for transferred properties, the equities would have been preserved by continuing the old system; and, personally, I am strongly of opinion that it would be much better to continue that system, pending some decision in regard to payment for transferred properties. Of course it is quite possible that next year we may have a practical scheme in that direction. I do not hope, for my own part, that there will be any immediate outcome in regard to taking over the debts of the States, but I do hope for some practical method of payment for the transferred properties being arrived at. In the meantime, it seems to me that a grave injustice will be suffered by the citizens of some of the States by the continuation of this method.

Mr. TUDOR (Yarra).—I referred to this matter during the Budget debate, and the Treasurer then stated that he had obtained an opinion from the Attorney-General, and also from the honorable and learned member for Corinella upon the subject. I think, whatever the legal position may be, that some new means of allocating these moneys ought to be found. It does not matter whether my own State is particularly concerned or not. This year, it appears that Victoria will be about £50,000 to the bad, and Western Australia will practically have the whole of that amount spent within her territory. On a population basis, Victoria will pay about £90,000, and have only about £40,000 of it spent here, and I desire to enter my protest against this new plan which the Treasurer has adopted. I have no doubt that the Treasurer has obtained the best opinion available; but, nevertheless, I think that the matter should be reconsidered, with a view to an alteration of the method adopted, even if we have to go back to the method which has been in operation for the last three years.

Mr. REID.—This is a most difficult question, as the late Treasurer knows. We all know that the present Treasurer gives an immense amount of attention to these subjects, and the present method was adopted in consequence of its being found that the previous system worked out inequitably. If, however, the new system works inequitably, we shall have to arrive at some other method. This was the best way we could arrive at, after giving the subject the best consideration. It will be admitted that the question is a most troublesome one.

Mr. WEBSTER (Gwydir).—I quite recognise that this is a very difficult question to deal with, but the Prime Minister must also recognise, in justice to the States that have spent large sums of money in developing their forts and defences, that they are receiving no return whatever on that account from the Commonwealth.

Mr. REID.—We thought that this scheme would work out with the least hardship.

Mr. WEBSTER.—It would, if we were assured that it would be limited, but we have no such assurance. Next year the discrepancy may be twice the amount of that for the present year.

Mr. WATSON.—The expenditure on forts in Western Australia will be large for some years to come.

Mr. WEBSTER.—That will also be the case in other States proportionately. If the system adopted this year is to form a precedent, there will be trouble.

Mr. REID.—We are not tied to it for next year.

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Mr. WEBSTER.—What I am anxious about is that the adoption of the system this year shall not be used as an argument for continuing it.

Mr. REID.—This Bill does not touch the question of principle one way or the other. It is simply an Appropriation Bill.

Mr. WEBSTER.—Will the Prime Minister give us a promise that before the end of the next financial year the Government will endeavour to evolve some scheme whereby the inequity of the present arrangement will be to some extent minimized?

Mr. REID.—Certainly; we will go into the whole matter afresh.

Mr. CARPENTER (Fremantle).—I desire to say a word or two with regard to the method of constructing public works. The Government has not made any announcement on that subject. I should like to have an announcement from the Prime Minister as to what are the intentions of the Public Works Department. I think I am correct in saying that no resolution has been passed by this House affirming the desirableness of constructing public works by day labour. I believe that it was the practice of previous Governments to carry out public works by day labour, wherever it was possible to do so. If the Prime Minister will assure me that that policy will be followed in the future——

Mr. REID.—I must ask the Minister of Home Affairs to answer that question.

Mr. CARPENTER.—If the Minister will give me an assurance that that policy will be adopted wherever possible, I shall be satisfied.

Mr. DUGALD THOMSON.—To what works does the honorable member refer?

Mr. CARPENTER.—To public works generally. I understand that in carrying on those works, the Government make use of the Public Works Departments of the various States, and also of their officers. In most, if not in all of the States, public works are carried out by day labour. I trust that the Minister of Home Affairs will stipulate that wherever possible, the practice which has previously been followed in the carrying out of public works, shall be adopted.

Mr. DUGALD THOMSON (North Sydney—Minister of Home Affairs).—I am not aware that there has been any instruction for departure from the policy which has previously been followed in the Department over which I preside. I can make no promise to the honorable member, without first being afforded an opportunity of ascertaining what the effect of that promise would be. It seems to me that the question whether particular public works should or should not be constructed by day labour, must be determined upon the merits of each case. I shall deal with each work in that way, I shall also ascertain what practice has previously been followed, and whether any alteration has been made in that practice.

Sir JOHN QUICK (Bendigo).—In regard to the point raised by the leader of the Opposition, I should like it to be understood that the representatives of Victoria do not waive any legal or constitutional rights which may be involved. My own opinion is that defence works may properly be regarded as new works, and should, therefore, be federalized. But public works which might be considered of a developmental character—post-offices, for example—should, I think, be regarded as continuing expenditure, and accordingly be debited to the States. I wish it to be distinctly understood that I do not waive any legal or constitutional rights in connexion with this matter, nor do I think that the House could in any way prejudice those rights. If any rights exist, they are preserved by the Constitution, and may be enforced hereafter by proceedings in the High Court.

Mr. REID.—And we would never put obstacles in the way of testing such a question if the States desired to do so.

Sir WILLIAM LYNE (Hume).—Since the establishment of the Federation, a great deal of trouble has been experienced in effecting improvements and repairs to transferred buildings, which some of the States Governments contend partially belong to them. In this connexion, I may instance the Sydney Customs House. Just prior to the inauguration of the Commonwealth, the New South Wales Government added one or two storeys to that building; but did not complete its interior. Later on, I induced this House to vote £2,000 or £3,000 to finish that work. Thereupon, the Premier of New South Wales objected to that money being expended, and maintained that a portion of the building still belonged to the State. The result is that the building is in a disgraceful and deplorable state at the present time. If I had had my way in the matter, I should have tested the position before the High Court long ere this. A similar dispute exists in regard to buildings in Bendigo and Perth. I should like

to know whether any satisfactory arrangement has been made in regard to the Sydney Customs House? If the Minister will take the trouble to inspect that building, he will admit that it is in a disgraceful condition. It does not provide sufficient accommodation for the present number of officers. I need scarcely remind honorable members that the question of the employment of day labour in carrying out public works has been referred to many times in this House. When I was in office I stated that it was my intention, wherever possible, to employ day labour upon those works, and that where is was not possible the contract system would be adopted. But I would point out that the works which are carried out by the Commonwealth are few in comparison with those which are carried out by the States. In New South Wales, fortunately, no trouble has been experienced in this connexion, because wherever it was possible to perform work by day labour, that class of labour has been employed. The same remark is applicable to South Australia. A great deal has been said against the employment of day labour, but I claim that under proper supervision that system is cheaper than is the contract system.

Mr. WATSON.—So long as political influence is eliminated.

Sir WILLIAM LYNE.—Yes, and so long as a good inspector is placed over the men to see that they perform their work efficiently. I confess that I used to be opposed to the day labour system.

Mr. JOSEPH COOK.—Hear, hear.

Sir WILLIAM LYNE.—The honorable member for Parramatta will recollect that in the New South Wales Parliament I attacked him for employing day labour in connexion with a telephone tunnel. As a result of that attack a Committee was appointed to investigate the matter, and if honorable members will take the trouble to read the report of that body, and the evidence taken before it, they will see that under proper supervision the day labour system is cheaper than is the contract system by 25 per cent. In spite of the outcry against it—an outcry which comes mainly from the contractors—there are certain works which should be carried out by day labour in preference to the contract system. I trust that we shall not revert to the old system under which contractors are able to make such large sums of money. The profits secured by them are due, not to the fact that the contracts accepted by the Government are too high, but to alterations and additions ordered by the architects, which enable them to make heavy claims for extras, representing the difference between the value of the work done by their employés, and the total sum paid by the taxpayer. I refer to this matter, because I have heard and read of many statements in opposition to the day-labour system, and I have also heard the statement that it is gradually being dropped in New South Wales.

Mr. WEBSTER.—All true reformers are adopting the day-labour system.

Sir WILLIAM LYNE.—If that be so, I hope that we shall not return to the old system, which has enabled many contractors, more particularly in New South Wales, to make large profits, representing the difference between the actual cost of the work, and the price paid by the Government, and to become our largest money lenders. If we revert to the old system the taxpayers will have to pay far more for the services rendered than they would have to do under any reasonable system of day labour.

Mr. BROWN (Canobolas).—I rise, not to discuss the merits of the day-labour system, but to direct the attention of the Minister to the fact that the Estimates provide for an expenditure of something like £2,300, to enable the completion of improvements to the General Post Office, Sydney, which, until recently, were being made under the day-labour system. I believe that the work in question was commenced whilst the honorable member for Parramatta was Postmaster-General in the State Government, and that he instituted the day-labour system. Recently certain changes were made, and a proposal was put forward, that the system of employing day labour in carrying out these improvements should be discontinued, and that the work should be handed over to contractors. The late Minister of Home Affairs vetoed that proposal, and determined that the day-labour system should be continued.

Mr. WATSON.—At the same time he wrote a minute, insisting that no political influence should be allowed.

Mr. BROWN.—That is correct. In view of the success which has hitherto attended the day-labour system, I hope that the Minister will see that the works which we are now sanctioning, are carried out in the same way. With capable officers supervising the operations of day labourers, I

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think it will be found to the interests of the Commonwealth to continue the system.

Mr. CARPENTER (Fremantle).—I am sorry that the Minister did not give me the assurance for which I asked. He said that he was not aware of any change of policy in the administration of the Department since he had taken office, but at the same time he distinctly refused to give me the assurance that he would follow the practice of his predecessor. If he does not intend to do so, he should at once tell the Committee. This is a very important question, upon which the Committee, if asked, would be prepared to make a very definite pronouncement.

Mr. REID.—If the honorable member finds any cause for complaint, he can easily deal with it.

Mr. CARPENTER.—There may come a time when it will be too late to make complaints. I refrained from making a speech on the subject, because I anticipated a sympathetic reply from the Minister. I thought that as the practice had become so common in many of the States, and had proved so successful, he would be in full sympathy with the suggestion.

Mr. REID.—Let us hear what the Minister has to say, now that he understands the request made by the honorable member.

Mr. CARPENTER.—I desire an assurance that the practice, which has been found to work so well, particularly in those States which have adopted it generally, shall be continued.

Mr. DUGALD THOMSON (North Sydney—Minister of Home Affairs).—I thought that I informed the honorable member with sufficient clearness that I had not instructed a departure from any policy, in respect of the matter to which he alluded, which was observed by the Department before I took charge of it.

Mr. CARPENTER.—The honorable gentleman said that he would not promise to follow the old practice.

Mr. DUGALD THOMSON.—I shall not make any promise in regard to the future policy of the Department until I have had an opportunity to make that investigation which any Minister ought to make before arriving at a decision in regard to such a matter. As the honorable member for Hume has said, by far the larger proportion of the works that are under the control of the Department of Home Affairs are carried out by States Departments. The Department itself has neither the officers nor the plant to carry out these works. Whilst I am perfectly ready to do anything that is in the best interests of the workers, it is expected, of course, that I shall see that the tax-payers of the community are protected, and that undue expenditure is not incurred in carrying out Commonwealth undertakings. Consistent with that view of my position, the day-labour system shall have my full support wherever it can be shown that it is cheaper than the contract system. I am not in any way antagonistic to day-labour in itself, but must judge by results; I merely say that, as Minister, I must not commit myself to any promise until I have had an opportunity to see the result of the working of both systems. That is the position. Honorable members can, at all times, know what is being done in connexion with the different public works of the Commonwealth. I hope that should I be called upon at any time to do so, I shall be able to show good reasons for any practice that is adopted by the Department in relation to a particular work. The honorable member for Hume has referred to the condition of the Customs House in Sydney, and I may say that on taking office, I found that the facts were as he has stated. I at once entered into negotiations through the Prime Minister, with the Premier of New South Wales to have that unsatisfactory position at least remedied to some extent. As the result of these negotiations, the Premier of New South Wales has agreed to allow that portion of the building occupied by the Commonwealth to be repaired and altered, and provision is made on the Estimates to enable the work to be carried out. Consequently, the cause of complaint in regard to that portion of the building to which the honorable member has referred will be removed. Negotiations have also been entered upon, and I hope they will be brought to a conclusion at the Premiers' Conference, if not before, for the settlement of the question of the ownership of the building. My action has, so far, been successful, and I trust that it will be more successful in the future in securing a settlement.

Clause agreed to.

Clause 3 agreed to.

Schedule.

Mr. BROWN (Canobolas).—I should like some information in regard to the proposal to grant £1,000 for the construction of a new post and telegraph office at Canowindra. This post-office is situated on the line which divides the division which I

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represent from the Macquarie division, and, so that honorable members may understand the position of affairs, I may mention that at Canowindra there is a township built on private property, and what is known as the Government township, where a fine site was set apart on the laying out of the town for a post-office, and where there is also a public school and a police station. The original post-office, however, was a rented building in the private town. A controversy ensued between the townspeople as to where the new post-office should be placed, and I understand that the State Postmaster-General, just prior to Federation, promised that no action would be taken without consulting those residing in the private township.

Mr. REID.—Will the honorable member see the Postmaster-General about this matter?

Mr. BROWN.—I have hitherto got very little satisfaction out of the Postal Department in regard to it. I understand that tenders have now been called. The State paid at the rate of £1,300 per acre for about one-third of an acre. I suggest that the Postmaster-General should make inquiries to see whether a larger area should not be purchased.

Mr. REID.—I promise that the investigation shall be made.

Schedule agreed to.

Preamble agreed to.

Bill reported without amendment; report adopted.

Bill read a third time.

APPROPRIATION BILL.

Bill presented by Mr. REID, and read a first time.

House adjourned at 11.44 p.m.

Senate.

Friday, 25 November, 1904.

The PRESIDENT took the chair at 10.30 a.m., and read prayers.

PRIVILEGE: CASE OF SENATOR LT.-COL. NEILD.

NOTICES OF MOTION.

Senator PEARCE.—I rise, sir, to draw your attention to the fact that notice of motion No. 1, for the 15th December, in the name of Senator Neild, is, except as regards the omission of one part, in precisely the same terms as a motion which the Senate decided was to be dealt with yesterday, and which the honorable senator did not move or withdraw. I wish to know the reason why it appears on the notice-paper. It stood as notice of motion No. 1 on yesterday's notice-paper, but up to the time that notices of motion had been called on the honorable senator had not given notice of a motion.

The PRESIDENT.—Yes, the honorable senator had.

Senator PEARCE.—Permit me, sir, to draw your attention to the fact that what Senator Neild did ask was not to be allowed to give notice of a motion, but to be allowed to re-arrange certain business standing in his name; that you drew his attention to the standing order regulating the routine of business, and mentioned that the time for re-arranging private business had not yet arrived, but that when it did arrive he could re-arrange the business standing in his name; and that he did not give fresh notice.

The PRESIDENT.—Yes, he did give notice then.

Senator PEARCE.—I think that what he wished to do was met by your objection, and he sat down satisfied with your statement that the time had not arrived, and when the notice of motion was called on the Senate decided that it should be dealt with. Although he did not move the notice of motion, and did not subsequently give notice of it, yet it appears on the notice-paper for the 15th December.

The PRESIDENT. — Senator Neild gave notice, in accordance with standing order 102, that he would call attention to the report of the Select Committee, and move a motion. He was perfectly justified in doing that, and he did it at the proper time.

Senator PEARCE.—That relates not to this notice of motion, but to notice of motion No. 4.

The PRESIDENT.—I have nothing to do with notice of motion No. 4. Senator Neild gave notice that he would call attention to the report of the Select Committee and move a motion. What the nature of that motion was he did not state.

Senator Sir JOSIAH SYMON.—That is not the one to which Senator Pearce is alluding.

What he is alluding to is the notice of motion as to it being the inherent right of every party to an inquiry to call witnesses.

The PRESIDENT.—Oh, but Senator Neild gave notice that he would move that motion on a future day, as he had a perfect right to do. He gave the notice of motion before the business of the day was called on. I think the honorable senator will find that stated in *Hansard.*

Senator PEARCE.—No.

The PRESIDENT.—Yes.

Senator CLEMONS.—I understand, sir, from your remarks, that you have practically ruled that because Senator Neild gave notice of his intention to move this motion, the notice of motion is therefore rightly on the business-paper to-day.

The PRESIDENT.—Yes.

Senator CLEMONS.—Admitting, with you, that Senator Neild gave that notice, the Senate, by a vote, subsequently decided, to all intents and purposes, that this should not appear on the notice-paper.

The PRESIDENT.—No, it did not decide that.

Senator CLEMONS.—Practically, it did. It decided that Senator Neild should not have the right to postpone the notice of motion. If nothing else had been done, sir, I think you will agree with me that only two courses were then open. One was that he should thereupon move the motion, and the other was that it should be withdrawn. With regard to the fact that prior to that division being taken, Senator Neild had given notice of a motion, I would submit to you, with the greatest respect, that the decision of the Senate, that one of those two things must happen, cannot be overruled by that previous notice.

Senator PEARCE.—The previous notice was given as regards something else.

Senator CLEMONS.—Admitting, for the sake of argument, that previous notice was given, I submit to you, sir, that the subsequent decision of the Senate must overrule anything previously done, and that, until that vote be reversed, this notice should not appear on the paper. I ask you, sir, to inform the Senate whether, under such circumstances, it is right that the decision of the Senate should be overridden, and that this motion should now appear on the business-paper?

The PRESIDENT.—Before the business was called on, Senator Neild gave notice that he would move notice of motion No. 1 on a future day. He was perfectly justified in doing that; it has often been done, and it is within the rules.

Senator PEARCE.—But you, sir, did not allow him to do so.

The PRESIDENT. — The honorable senator will permit me to state my reasons; it is not in order to interrupt any one, especially the President. Senator Neild gave his notice of motion in order before the business was called on, and by inadvertence, when the notice of motion on the business-paper came on, he moved that it be postponed. The whole of the proceedings were irregular. There ought to have been no motion, and there ought to have been no division. I looked upon the whole of the proceedings as an irregularity, and therefore allowed the motion to appear on the notice-paper.

Senator CLEMONS.—May I ask you, sir, whether you rule that that division of the Senate was an irregularity?

The PRESIDENT.—Yes.

Senator CLEMONS.—May I ask you, sir, whether you rule that, without the Senate doing anything more, it can be subject to that stigma; that a division in the Senate can be termed an irregularity, and set aside.

The PRESIDENT.—There is no stigma about the matter. It is a mere question of procedure. Senator Neild made a mistake in moving that his notice of motion be postponed, because it was really off the notice-paper; as a matter of fact, it was to be put on the notice-paper for another day. In consequence of the previous notice which had been given, it was an irregularity, and I do not see that there is anything to complain about, or any reason to raise any question. It is really not a matter of any great importance, because, if Senator Neild had not given that notice of motion, he could have given another notice of motion for another day. The matter had not been disposed of.

Senator PEARCE.—I wish to point out to you, sir, that your ruling practically amounts to this: that if I had given notice of a motion, and it appeared on the notice-paper for to-day, I could, when notices of motion were called on, give notice of that same motion for next week.

The PRESIDENT.—No; before the business was called on, if the honorable senator had a notice of motion on the paper for to-day, and he wished to give notice that he would move that notice of motion on some future date, he could do so.

Senator PEARCE.—I am afraid, sir, that there is some confusion, because there ar-

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two notices of motion standing in the name of Senator Neild. The notice of motion which he wished to give in general terms was not No. 1, but No. 4. If you will read the heading, you will remember the words which he read from notice of motion No. 4.

The PRESIDENT.—We are not discussing notice of motion No. 4 at all.

Senator PEARCE.—No; but it was Senator Neild's attempt to re-arrange his business——

The PRESIDENT. — The honorable senator's memory is at fault, I think.

Senator PEARCE.—Will you, sir, allow me to read the heading of notice of motion No. 4?

The PRESIDENT.—Yes; but Senator Neild had a great many notices of motion on the paper, and before the business was called on he took advantage of standing order 102, which reads as follows:—

> A senator desiring to change the day for bringing on a motion, may give notice of such motion for any day subsequent to that first named, but not earlier.

The honorable senator complied with that standing order, and gave notice of motion. Notice of motion No. 4 has nothing to do with this matter. It deals with another question.

Senator PEARCE.—I agree, sir, with what you have said, but it was not in regard to notice of motion No. 4 that Senator Neild did that.

The PRESIDENT.—I beg the honorable senator's pardon.

Senator PEARCE.—These are the words which Senator Neild started to read——

The PRESIDENT.—I know that he started to do something in reference to notice of motion No. 4, but I am not talking about that notice of motion at all.

Senator PEARCE.—Allow me to submit, sir, that it was not motion No. 1 that he gave notice of at all.

The PRESIDENT.—I beg the honorable senator's pardon. The clerks took it down, I did not.

Senator PEARCE.—*Hansard* will show that it was notice of motion No. 4 which he started to read, and which he wished to re-arrange.

The PRESIDENT.—I do not think that there ought to be any further discussion. The clerks took down the notice, and I heard the honorable senator read it.

Senator CLEMONS.—I do not rise to prolong the discussion, but in the interests of the Senate, I wish to point out to you, sir, that under standing order 70—the one I drew your attention to yesterday—if an honorable senator wishes to postpone the business standing in his name to another date, a division is possible. It seems to me that standing order 102 brings about exactly the same result as far as he is concerned if he wishes to postpone his business, except that there is no division. The two standing orders are in absolute conflict on that point.

The PRESIDENT.—No, they are cumulative.

Senator CLEMONS.—I submit, sir, that exactly the same result, so far as postponement is concerned, is brought about, and that while under standing order 102 the Senate has no opportunity to divide, under standing order 70 it has. In similar circumstances, sir, will you rule that that means of giving the Senate an opportunity of going to a division can always be evaded by proceeding under standing order 102, instead of standing order 70?

The PRESIDENT.—The honorable and learned senator will see that the standing order provides that an honorable senator has a right to do a certain thing. I am not going to say that a standing order is null and void. If, before the business of the day is called on—and it has been done here dozens of times—an honorable senator gives notice that he is going to move a motion standing in his name on a future date, it is put down for that date by the clerks, as a matter of course, and is put on the notice-paper.

Senator CLEMONS.—That has always been done under standing order No. 70, and until I pointed it out yesterday, the Senate had not recognised that it had the opportunity to go to a division.

The PRESIDENT.—An honorable senator can proceed in either one way or the other. If the Standing Orders are wrong, they ought to be altered. It is not for me to say that they are wrong. I do not think that this discussion ought to be continued.

Senator CLEMONS.—Are we to understand, sir, that if the question again arises, an honorable senator can proceed under standing order 102, and no division can be taken?

The PRESIDENT.—If the standing order is not approved of by the Senate, it can be altered, but until then it is my duty to carry it out.

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AUSTRALIAN AFFAIRS: MISSTATEMENTS ABROAD.

Senator HIGGS asked the Attorney-General, *upon notice*—

1. Has the Attorney-General observed the following, which appeared in the Melbourne *Herald* of 21st November instant:—

"NEW SOUTH WALES.

"PREMIER RESENTS SLANDERS.

"*An Intelligence Bureau.*

"Sydney, Monday.

"The Premier, Mr. Carruthers, complains bitterly of the misstatements abroad with regard to the affairs of New South Wales.

"He refers specially to a pamphlet recently published in the Argentine, in which Australia is described as a ruined country; also to statements made by certain newspapers, including the *Economist*, a London paper.

"The Premier says that extracts from our own papers which condemn this State are published and commented upon, while facts favouring us are not published, and Mr. Coghlan's splendid compilations appear to be but little known.

"In order to counteract these statements Mr. Carruthers has decided to establish an Intelligence Bureau, under the guidance of Mr. Coghlan. Associated with it will be such sub-departments as have hitherto disseminated information in connexion with lands, mining, and agriculture.

"The bureau, Mr. Carruthers says, will entail very little extra expense."

2. Has the Attorney-General observed that Mr. Richard Teece, general manager of the Australian Mutual Provident Society, is reported to have said on his return from England (see Melbourne *Age*, 7th November instant) that—

"When he was in London he learned that no account was taken of Australia. The course of legislation here, and the extravagance of the States, made people very timid of having anything to do with Australians."

3. Has the Attorney-General observed that Mr. W. H. Irvine, M.L.A. (Victoria) is reported to have said at Horsham, on the 12th instant (see Melbourne Age, 14th November instant) that—

"While in London he had come to the conclusion that Australia was inadequately represented in England, and that our views, our feelings, our wants, and our resources were absolutely unknown to the great mass of English-speaking people. . . . When he got to England he was amazed to find how extremely unpopular Australia and Australians were there. . . The tie of sentiment, strong as it might be on this side, was beginning to get a little bit weaker on the other. The crimson thread of kinship was beginning to look just a little bit thin and pale at present, and it was just as well they should know it, and recognise the full results of the legislation which, directly or indirectly, we had called into existence."

4. Will the Attorney-General recommend to the Government of the Commonwealth the appointment of a duly-qualified journalist, whose duties will comprise writing to the principal British newspapers a series of unbiased articles, setting forth, without argument, the true facts concerning—

Australia: its area and physical configuration.
Climatic conditions, rainfall, &c., of the States.
Population of the States
The Commonwealth and States Constitution Acts.
Immigration laws and immigration statistics.
Land settlement and the States Land Acts.
Mineral and agricultural resources of the States.
Railways and tramways—State-owned and private.
Post and telegraphs—State-owned and private.
Social condition of the people.
Education.
Food supply and cost of living.
Industrial progress.
States industrial legislation.
The manufacturing industry.
Commerce, employment, and production.
Shipping.
Commonwealth and State finance, &c., &c.

Senator Sir JOSIAH SYMON.—The answer to the honorable senator's questions is as follows:—

The Attorney-General is in full sympathy with the desire to dissipate erroneous notions with regard to Australia which may prevail in Britain, and to promote a fuller and better understanding of the facts as to her political and social conditions and resources, and the Government have already given the matter attention and taken steps in the direction indicated.

COMMUNICATION WITH NEW HEBRIDES AND NEW GUINEA.

Senator HIGGS asked the Attorney-General, *upon notice*—

1. Has the Attorney-General observed the following extract from a paragraph appearing in the Melbourne *Argus* of 21st March, 1904:—

"Messrs. Kerr Brothers and Company, of Sydney, who have been interested in trade with the New Hebrides for many years past, have written to the Prime Minister protesting against any one British trading company being subsidized for a service to these islands. They contend that tenders should be called for a direct monthly mail service?"

2. Will the Attorney-General place Messrs. Kerr Bros. and Company's letter on the table of the Senate?

3. Are the Government aware that it is alleged another firm than Burns, Philp, and Company Limited has, since the inauguration of the Commonwealth, submitted to the Department of External Affairs a proposal for a shipping service for a certain division of the proposed scheme?

4. Are the Government aware it is alleged that during the past six years, J. Clunn and Sons, of Cooktown and Samarai, have maintained a regular steam shipping service between Cooktown and

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all ports of British New Guinea, and still do so without any subsidy?

5. Are the Government aware that it is alleged that of the two vessels at present on the route between Cooktown and Samarai, namely, Clunn's vessel, the screw schooner *Papuan*, 160 tons, specially built for the trade in Sydney; and Burns, Philp, and Company's vessel, the s.s. *Parua*, 106 tons, built at Singapore, the former is in many respects—for example, Australian manufacture, date of build, tonnage, speed, cabin accommodation for ladies, general cleanliness, &c.—much superior and much better adapted to the trade than the latter?

6. Will the Government make it a condition in any subsidized contract that "white labour" only shall be employed throughout the whole of the company's vessels calling at New Guinea and the Pacific Islands?

7. Is it true, as alleged, that prior to receiving a subsidy from the Commonwealth Government, Burns, Philp, and Company's fleet held no direct communication with the port of Singapore; *also*, that, prior to being subsidized by the Commonwealth Government, the vessels of Burns, Philp, and Company's fleet were wholly manned by crews consisting of Europeans and Euro-Polynesians, and that it is only within the past two years that on some of the vessels of the fleet these crews have been replaced by crews consisting almost wholly of Chinese and Malays?

8. Is it a fact, as alleged, that towards the latter part of the year 1902, the s.s. *Moresby* made the first trip of Burns, Philp, and Company's fleet in the regular service from Sydney to Singapore, *via* Cooktown and Thursday Island, and the ports of British and German New Guinea, and that the vessel returned from Singapore to Australia manned by a new crew composed almost wholly of Chinese and Malays, and that the old crew, consisting of Europeans and Euro-Polynesians, were thereupon discharged from the service of the firm in Sydney?

9. Is it true, as alleged, that a large percentage of the Europeans and Euro-Polynesians discharged from the service of Burns, Philp, and Company Limited, late in 1902, had been in the regular employ of the firm for the previous ten years, and that no strike or dispute or friction existed between the crews of the vessel and the firm which would afford a pretext for a change from Australian governed to Asiatic alien crews?

10. Is it a fact, as alleged, that on both of the vessels, the *Airlie* and the *Guthrie*, owned by the Australian firm of Burns, Philp, and Company Limited, and at present running the service from Sydney to Singapore, *via* Cooktown, Thursday Island, and British and German New Guinea, the crews are composed almost wholly of Chinese and Malays?

11. What are the names and tonnage of the vessels referred to in the following paragraph of the summary of negotiations for further extension :—

> "The whole of the six (6) steamers employed in this service are ocean-going vessels, which will be manned exclusively by white labour. All the provisions and coals, the officers, and crews are supplied in Australia"?

12. In the event of a subsidy being granted to particular firm, will the Government specify in the articles of agreement the tonnage and class of the vessels to be employed, the dates of sailing, together with the rates of passage money, and of freights chargeable?

13. Are the Government aware that while the rate of freight on goods from Sydney to Cooktown, a distance of 1,518 miles, is 50s. per ton, the rate of freight from Cooktown to Samarai, a distance of 425 miles only, is also £2 10s. per ton? Also that the rate of passage, single saloon, is—Sydney to Cooktown, £9 10s.; Cooktown to Samarai, £5; *i.e.*, for less than one-third of the distance, more than one-half of the fare?

14. Are the Government aware that the return fare from Sydney to New Hebrides is £18?

15. Before signing any agreement with the subsidized company will the Government place before Parliament a copy of the said agreement?

Senator Sir JOSIAH SYMON.—The answers to the honorable senator's questions are as follow :—

1. I had not observed the paragraph cited, but the facts stated are correct.
2. Yes.
3. No. If, however, it is the New Guinea division of the proposed scheme that is referred to, the Department of External Affairs were informed by the British New Guinea Government in 1903, that Messrs. Clunn and Company stated that if it was proposed to subsidize a service between British New Guinea and Australia, they were prepared to tender for a service with the vessel they had then employed.
4. No.
5. No.
6. Yes.

7, 8, 9, 10. Messrs. Burns, Philp, and Company receive no subsidy from the Government in connexion with the Sydney-Singapore line. I understand that the vessels employed in that service are manned by Asiatics.

11. The names and tonnage of vessels cannot be given at present, as until the contract is about to be made the firm cannot determine what vessels now owned by them shall be employed in the services, or what other vessels shall be bought or chartered.

12. Yes.

13, 14. No.

15. To adopt this course would probably delay the commencement of the new services for a considerable time, but a copy of any contract made will be laid before Parliament as soon as possible after its completion.

APPROPRIATION (WORKS AND BUILDINGS) BILL.

Bill received from the House of Representatives, and (on motion by Senator Sir JOSIAH SYMON) read a first time.

Motion (by Senator Sir JOSIAH SYMON) proposed—

> That the Standing Orders be suspended to enable the Bill to be passed through all its stages without delay.

Senator STEWART (Queensland).—I object to this method of dealing with a measure of this character. A Bill is placed

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in our hands dealing, not only with the expenditure of a very considerable sum of money, but with the construction of a variety of public works in various parts of the Commonwealth, and we have had no opportunity to inquire as to the necessity or utility of those works.

Senator DAWSON.—The Bill is put into our hands, and we are asked to suspend discussion.

Senator DRAKE.—No, not to suspend discussion.

Senator STEWART.—I have often objected to this method of doing business. It is extremely undesirable in dealing with Money Bills that the Standing Orders should be suspended, and the measures passed through without opportunity being given to consider them in a rational manner. There is no reason why this measure should not have been placed before the Senate at an earlier date.

Senator CLEMONS.—There was the very good reason that we could not get it.

Senator STEWART.—That is no reason why we should scamp discussion of it now. I am going to vote against the suspension of the Standing Orders in this case, because if we are to discharge our duty to the country it is necessary that we should be given an opportunity to consider the various items dealt with in the Bill.

Senator PEARCE (Western Australia).—I think the Attorney-General should tell the Senate whether this Bill is based on last year's Estimates. Looking hurriedly through the schedule, I am under the impression that it anticipates this year's Estimates. If that be so, good reason should be given for the suspension of the Standing Orders. We have before suspended the Standing Orders under protest in the case of Bills of this nature, based on Estimates previously considered. I draw the attention of the Senate to the fact that this Bill deals with works which did not appear on last year's Estimates, and it is therefore an unparalleled departure in the history of finance in the Commonwealth that the Standing Orders should be suspended for the passage of such a measure. We have not so far passed a Supply Bill involving Estimates which have still to come before us. If this measure is prophetic, and is based on Estimates which have still to come before us, by passing it we shall deprive ourselves of any effectual means of dealing with those Estimates, because we shall have committed ourselves to the leading votes affecting public works, appearing in them. If I state the case correctly the Attorney-General must show urgency in support of his motion, or I shall otherwise be inclined to support Senator Stewart.

Senator HIGGS (Queensland).—The Senate is not fairly treated with respect to financial Bills. There has been a continual complaint since the inauguration of this Parliament that money Bills have been brought up to the Senate on very short notice, and that because of delay in another place the time for their discussion in the Senate has been curtailed. It appears to me that in this Bill the cart is put before the horse. The Attorney-General asks us to grant a large sum of money for new works and buildings before we have had an opportunity to consider the Estimates for the ordinary services of the year. I notice that in this Bill provision is made for new works and services connected with the Post and Telegraph Department, involving an expenditure of £155,000. A sum of £130,000 is set down for new works and services in connexion with the Defence Department. There are also other items appertaining to those Departments which come under the heading of Home Affairs. It is asking rather too much of honorable senators to claim that a Bill introduced here at ten minutes to 11 o'clock, should be proceeded with five minutes later, before we have had an opportunity to consider the proposals contained in it.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I am sure that no honorable senator will impute to me any desire that the Senate shall not have the fullest opportunity to deal with financial questions, or any wish to take away one iota of the very great powers which I have always contended, and I think rightly, that the Senate possesses in dealing with money matters.

Senator DAWSON.—We do not impute that desire to the honorable and learned senator personally, but the fact remains that, as the result of the action of the Government of which he is a member, we are given no opportunity to deal with this Bill as it deserves to be dealt with.

Senator Sir JOSIAH SYMON. — I am obliged to my honorable friend for his statement that such an idea would not be attributed to me personally, but I have been induced to make these remarks because of several expressions which have been used, beginning with "robbing the

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Senate of its just rights," and going down, I think, to a charge of "cheekiness." I cannot be charged with any endeavour to lessen the control, and, for that matter, the interest of the Senate in connexion with these questions.

Senator DAWSON.—We all know how the honorable senator stood up for the Senate when on this side.

Senator Sir JOSIAH SYMON. — I intend to do so on this side also. The present motion to suspend the Standing Orders does not mean that discussion will be prevented.

Senator HIGGS.—The honorable and learned senator is aware that it will curtail the opportunity to consider the measure.

Senator Sir JOSIAH SYMON. — If the honorable senator will accept my assurance, it merely means that I shall be enabled to move the second reading of the Bill to-day, and if we can carry it through all its stages, so much the better. But I say quite frankly that if it be found that there is in the Bill any matter which requires further consideration, and which honorable senators desire to discuss in Committee, I shall offer no objection to the Bill being allowed to stand over if good reason for the adoption of such a course is given. But I appeal to honorable senators not to adopt such a course lightly, or unless they feel that the public interest, or the satisfaction of their own judgment, imperatively demands it. Senator Pearce has referred to the practice in connexion with Supply Bills, but this is not a Supply Bill. Supply Bills rest, as my honorable friend has rightly said, upon Estimates which have to be passed. This is an appropriation for works and buildings in order to prevent any stoppage in the construction of public works, and to enable them to be proceeded with without delay. For that reason the other Chamber was unanimous in passing this Bill through all its stages yesterday.

Senator PEARCE.—There is nothing on this Bill to show that it came from the other Chamber. Apparently the printer has been hurried also.

Senator Sir JOSIAH SYMON.—That just shows the extreme desire of the Government that nobody should be thrown out of employment.

Senator HIGGS.—Is this Bill submitted in the interests of the unemployed?

Senator Sir JOSIAH SYMON.—It has been stated in another place, and I am personally aware of the fact, that representations have been made to the Government that, however long the Appropriation Bill may stand over, it is desirable that this measure should be carried through at the earliest possible moment in order that there shall be no delay, and no gap in the employment of people on these works. I think honorable senators should at least give me an opportunity to explain the details of the expenditure. The object of suspending the Standing Orders is merely to enable the second reading to be moved, and steps to be taken to consider the Bill in detail.

Senator DAWSON. — Suspending the Standing Orders also means going into Committee, and reading the Bill a third time to-day.

Senator Sir JOSIAH SYMON.—Not if honorable senators object. If even one honorable senator gives satisfactory reasons why there should be further consideration of any item, I shall acquiesce.

Senator PEARCE.—Can the Attorney-General give reasons for urgency?

Senator Sir JOSIAH SYMON.—It is imperative that there should be no hiatus in proceeding with these works. It was very inconvenient to have to press the measure forward in the House of Representatives yesterday; but the desire was that there should be no suspension of work.

Senator DAWSON.—Is not the real reason to get supply, and rush into recess?

Senator Sir JOSIAH SYMON.—No; this Bill has nothing to do with that. It merely authorizes the expenditure of money on works and buildings. These are not the general Estimates. The Appropriation Bill proper will be dealt with at a later stage. Last year, a similar Bill was introduced on the 1st October. We are following the same precedent now. Indeed, the Bill may be compared with measures that are introduced in the States Parliaments to authorize the construction of railways and other public works. I hope that honorable senators will enable us to advance the Bill a stage, and if they give reasons why there should be further consideration of details. we shall offer no objection.

Question put. The Senate divided.

Ayes	17
Noes	7
Majority	10

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AYES.

Croft, J. W.	Pearce, G. F.
Dobson, H.	Playford, T.
Drake, J. G.	Pulsford, E.
Findley, E.	Smith, M. S. C.
Fraser, S.	Story, W. H.
Gray, J. P.	Styles, J.
Henderson, G.	Symon, Sir J. H.
Matheson, A. P.	*Teller:*
McGregor, G.	Clemons, J. S.

NOES.

Baker, Sir R. C.	Higgs, W. G.
Dawson, A.	Turley, H.
Givens, T.	*Teller:*
Guthrie, R. S.	Stewart, J. C.

Question so resolved in the affirmative.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I move—

That the Bill be now read a second time.

This is a measure which is more appropriate for consideration in Committee, when honorable senators will have an opportunity to speak more than once, and to apply their minds to particular items, than for debate on the motion for the second reading. So far as I am concerned, the amplest information will be supplied, and the figures will be explained in the fullest possible way. One reason why this Bill is brought in separately is that it is a Bill which the Senate may amend. It is differentiated in that respect from an ordinary Appropriation Bill as to which we can only make requests. Honorable senators have the freest possible hand in regard to this expenditure. The amount covered by the Bill is £404,240, and I think the most convenient elucidation I can offer is a comparison with the actual expenditure of last year. That bears on the point to which Senator Pearce alluded, in reference to new expenditure and excess; but, of course, there must always be new works each year, not in the sense of something beyond the ordinary scope, but simply because great departments like that of the Post and Telegraph Department must always be providing additional conveniences for the community. We must provide additional works to enable the outlying parts of the country to be served with telephones, telegraphs, and post-offices, just in the same way as every business man, as his connexions increase, must extend his operations. The new works mentioned are required to provide for the growing wants of the community from day to day; and, from that point of view, we can apply our best judgment in the consideration of the measure. It is desirable that there should be no stoppage of those works, and that the Government should know as early as possible what authority they have for incurring the expenditure. The works extend all over this vast continent, and are directed to providing conveniences in districts which cannot be reached in an hour or a day; and it is not desirable that there should be any suspense on the part of the public, or of contractors and employés, as to whether there is to be a continuance of operations. The actual expenditure last year was £325,009, as against an estimated expenditure this year of £404,240. That actual expenditure last year was incurred under the Estimates submitted to the Senate by the then Vice-President of the Executive Council, Senator Playford, in a very interesting speech. An apparent increase of £79,231 is shown, made up chiefly of two items, to which I shall direct the attention of honorable senators, and which contain the only proposals calling, I think, for any criticism in Committee.

Senator DAWSON.—We have had no time to think over the matter, and the Standing Orders have been suspended to enable the Bill to be passed through all its stages to-day.

Senator Sir JOSIAH SYMON.—I shall be prepared to give honorable senators any explanation desired, but I am sure that Senator Dawson, as an ex-Minister, will be enabled by his experience to anticipate what I have to say in regard to those items. The first item is one of £33,016, as a special vote for armament in the Defence Department, and the matter is dealt with at page 31 of the papers circulated by the Treasurer when he delivered his Budget statement.

Senator DAWSON. — Those papers have not been circulated here.

Senator Sir JOSIAH SYMON.—The sum of £24,400 placed on the Estimates for this year is part of the total amount required for the fortifications and other defence works at North Fremantle and Arthur Head, Western Australia.

Senator GIVENS.—The total is a very large amount, is it not?

Senator Sir JOSIAH SYMON. — The total amount has already been mentioned in a debate raised, I think, by Senator Matheson, and it amounts to £87,700. In placing the sum of £24,400 on the Estimates, we are only anticipating what is likely to be spent during the current year.

Senator GIVENS.—We are incurring the whole expenditure, all the same.

Senator Sir JOSIAH SYMON. — The honorable senator has anticipated what I

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was going to say. Honorable senators will realize that, in voting this £24,400, they are pledging themselves to a work which is estimated to cost £87,700, and it is right that it should be shown how the figures are arrived at. An exceedingly favorable arrangement has been made with the State of Western Australia. The land required will cost about £34,000, but of that sum £24,000 represents the value of Crown lands. The State of Western Australia, in order to assist in the carrying out of this work, which I am sure every one interested in the defence of Australia admits to be pressing, does not, as might have been done, ask the Commonwealth to pay cash, but is prepared to let the land be considered as a transferred property. That is a very great gain to the Commonwealth, seeing that the land may be dealt with under the provisions of the Constitution, and such legislation as this Parliament may authorize in the matter of the transferred properties.

Senator TURLEY.—But I understand that the value of the land is fixed?

Senator Sir JOSIAH SYMON. —The value of the land is fixed only so far as Western Australia is concerned at £24,000, but honorable senators will see that that State is showing a sincere desire to facilitate the construction of what is a Commonwealth work of defence.

Senator STANIFORTH SMITH.—It is quite possible that the transferred properties will never be paid for, but will be taken into consideration in the consolidation of the States debts.

Senator Sir JOSIAH SYMON.—A Bill on this matter was introduced by the Barton Government, and one suggestion made was that transferred properties should be paid for by the Commonwealth taking over a portion of the States debts. I thought then, and still think, though not finally—I am not pronouncing any Government policy—that that is far and away the better plan by which to pay for transferred properties. That, however, is a question which honorable senators will not desire me to enter upon now. All I wish to say is that, in my opinion, Western Australia deserves a slight meed of appreciation for the attitude which that State has assumed, and which enables the Commonwealth to proceed with this work under favorable circumstances. Possibly if the Commonwealth had to face a cash outlay of £24,000, there might be some hesitation in immediately undertaking the work. Some further land has to be purchased, but it is infinitesimal. The cost of the works is estimated at £22,000, and the armament at £31,600. All the expenditure I have mentioned does not amount to a large drain on our resources, especially when we consider that the object is to put the defences in a proper state.

Senator STEWART.—What is the area of the land?

Senator Sir JOSIAH SYMON.—I cannot give the honorable senator the area.

Senator STEWART.—It must be very valuable; is it in the heart of Fremantle?

Senator PEARCE.—It is in the centre of Fremantle, and is built upon.

Senator Sir JOSIAH SYMON.—The total amount for the land is set down at £34,100, and of that £23,900 is for land belonging to the State. I may refer honorable senators to the full particulars on the subject of defences at North Fremantle and Arthur Head, given at page 31 of the papers laid before Parliament in connexion with the Budget, and it would be convenient if I mentioned one or two of the details. The Crown land at Arthur Head is estimated to cost £23,900, but I may mention that that is the valuation of the State Government, and has not yet been definitely accepted by the Commonwealth Government. The expenditure estimated for moving and re-erecting buildings on the proposed site is £3,800, for emplacements £7,000 of the total cost of £10,000, and for armaments £7,600. At North Fremantle private land is estimated to cost £6,400. That represents the claims as sent in and valued by the Public Works Department of Western Australia, but the Commonwealth Government have not yet assented to the valuation, which may, therefore, be less. Then emplacements are estimated to cost £12,000, of which £4,000 is considered sufficient to cover the expenditure for the current year. A summary of the proposed expenditure gives £34,100 for land, £23,900 of which, as I have said, is for Crown land, and £10,200 for private land, and armament is to cost £31,600, and this with an expenditure, estimated at £22,000 on works, brings the estimate up to £87,700.

Senator GIVENS.—That amount is liable to be exceeded; we cannot be sure to £1,000.

Senator Sir JOSIAH SYMON.—Of course, the amount may be exceeded, or it may be diminished; but, at any rate, the

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Commonwealth is on the right side, so far as regards the amount claimed for land. These claims have not been assented to, and are not likely to be more, while they may be less.

Senator DAWSON.—Is this £87,700 new expenditure?

Senator Sir JOSIAH SYMON.—Not all of it. The total portion of the excess expenditure is £33,000, and £24,400 is placed on the Estimates for the current year. The new expenditure on account of the Post and Telegraph Department is set out on pages 12 and 13 of this schedule, while similar information in regard to the Defence Department is given on pages 14 and 15. It is very desirable that there should be a full reserve of ammunition in connexion with the Defence Department. These Estimates have all passed under the scrutiny of the late Government. On going through the expenditure in connexion with the reserve of ammunition, it was found that the sum originally asked for was altogether inadequate, and that it was necessary to spend an additional sum of £60,000 or £70,000 for that purpose.

Senator HIGGS.—Including the new services, what will be the total cost of our Naval and Military Defences for the year?

Senator Sir JOSIAH SYMON.—I cannot give the honorable senator that information at the moment.

Senator HIGGS.—It is over £700,000.

Senator Sir JOSIAH SYMON.—It always does come to a considerable sum. We know that there was very substantial retrenchment and a reduction in the vote. That portion of the expenditure has not yet been finally affirmed by the other House, and I am unable to give my honorable friend particulars as to the total cost. I can only deal with the expenditure in connexion with works, buildings, &c.

Senator STEWART.—Do rifles come under the head of works and buildings, &c.?

Senator Sir JOSIAH SYMON.—They come under equipment.

Senator DAWSON.—Am I correctly informed that the honorable and learned senator stated that the late Government refused to make provision for ammunition?

Senator Sir JOSIAH SYMON.—No. What I said was that the Treasurer found that the amount was inadequate—and probably my honorable friend thought the same—and that, therefore, an increase was made to the extent of £60,000 or £70,000. That amount was fully explained by the Treasurer when submitting his Budget.

Senator DAWSON.—The honorable and learned senator might mention that a contract was given to an Australian firm.

Senator Sir JOSIAH SYMON.—Yes. I do not know that it is necessary at this stage to say more on the general subject of what expenditure the Bill proposes to authorize; and I shall be most happy in Committee to deal in the fullest possible way with the items in the schedule.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1 (Short title).

Senator PEARCE (Western Australia).—I wish to draw attention to the fact that this Bill does not bear on its face a notification that it has been received from the House of Representatives. I suggest that the Government Printer be informed that that notification should be printed on the face of a Bill whenever it is possible. Of course, there may be circumstances to account for its omission from this Bill. It is desirable that we should be able to ascertain by a glance at a Bill where it originated.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I am not aware of any rule requiring that notification to be printed on the face of the Bill. Of course, the knowledge that it comes from the House of Representatives is communicated to us by message. I shall make a note of my honorable friend's remark, and ascertain what the practice is. I do not know that it is not a matter for the officers of the Senate. I think it is desirable that it should be done.

Clause agreed to.

Clauses 2 and 3 agreed to.

Schedule.

Senator STEWART (Queensland).—I desire to obtain some information about a rifle range at Brisbane, which, exclusive of the land, is estimated to cost £5,000. That seems a very large amount to spend on a rifle range for metropolitan troops.

Senator DRAKE (Queensland—Vice-President of the Executive Council).—I think that Senator Stewart is aware of the difficulty which occurred in connexion with the Toowong Rifle Range. It is a very good range in many respects, but it was found that the bullets sometimes ricochetted and went straight over the hill at the back, and the consequence was that more than one action for damages was brought against

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the Department. It had to pay damages in one case, and therefore it became absolutely necessary to obtain another rifle range.

Senator GUTHRIE.—A few instructors could teach the men to shoot straight.

Senator DRAKE.—In Brisbane the men shoot very well indeed. An accident of that kind may occur on almost any range.

Senator O'KEEFE.—Have they not targets there?

Senator DRAKE.—Shots that ricochet will sometimes go over the natural hill at the back of a rifle range.

Senator STEWART.—Where is the new rifle range?

Senator DAWSON.—In Enoggera.

Senator DRAKE.—Enoggera is a healthy and picturesque place, and no doubt a very fine site will be found. When the new rifle range is provided the present rifle range at Toowong will be available for other purposes, and ultimately no loss will result.

Senator STEWART (Queensland).—I should like to know whether Senator Drake can tell the Committee from whom the land has been bought, and the price to be paid for it.

Senator DAWSON.—The land was granted by the State, and is held in trust.

Senator STEWART.—Then what about the price?

Senator Sir JOSIAH SYMON.—There is no price stated. The estimated cost, "exclusive of the land," does not mean that there is any land to be paid for.

Senator PLAYFORD.—It implies it.

Senator Sir JOSIAH SYMON.—It is implied that the expenditure will be £5,000, without reference to the value of the land. It might perhaps have been differently stated.

Senator STEWART.—I think we should also get some information about the land which is to be purchased by the Commonwealth at Fremantle. £24,000 is a large sum to pay for land, and I understood the Attorney-General to say that the area to be resumed is about 2 acres.

Senator Sir JOSIAH SYMON.—I did not say that. I do not know what the area is.

Senator STEWART.—We are asked to vote £24,000 for the purchase of this land at Fremantle. That is the price asked by the Western Australian Government, but the Attorney-General has said that the Commonwealth Government has not agreed to pay that price. Before voting so large a sum, the Committee should be informed as to where this land is situated, what it is at present used for, and whether it is the property of the State Government.

Senator PEARCE (Western Australia).—I take it that £24,000 is the Western Australian Government's estimate of the value of the land. For the information of Senator Stewart, I might say that the harbor to be defended at Fremantle is right in the centre of the town, which lies on either side of it. Outside the harbor there is an open roadstead, and for the defence of the place it is necessary that forts should be constructed on either side of the harbor. The land on one side of the harbor, on which it is necessary to construct a fort, is practically in the centre of the town, and is therefore very costly.

Senator STEWART.—What is it at present used for?

Senator PEARCE.—There are various Government buildings upon it. I believe that one portion of it, on which the Customs House is erected, has already been transferred to the Commonwealth. The military authorities state that it is absolutely essential for the defence of Fremantle that a fort should be constructed on this land. The land at the place selected for a fort on the other side of the harbor is the property of private individuals, and is not nearly so valuable, because it is not so near the centre of the town.

Senator STEWART (Queensland).—There is, in addition to the amount set down for the purchase of the land, a sum of £3,800 required for the removal and re-erection of buildings. That brings the expenditure proposed for this land up to nearly £30,000. I wonder whether that is all that will be required. I understand from Senator Pearce that there are public buildings erected on the land to be resumed, and it does not appear to be land which would ever have been built upon by ordinary business people.

Senator HENDERSON.—It would if they had the chance.

Senator STEWART.—It has evidently been reserved for public purposes, and the Commonwealth is now asked to vote £24,000 for it. The public buildings erected on it cannot be of a very important character, when they can be removed and re-erected for £3,800. As far as I can gather, the Commonwealth is being taken advantage of in this matter.

Senator GUTHRIE.—That is a serious charge?

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Senator STEWART.—We know that each State is in exactly the same position in regard to the Commonwealth that State electorates are in with regard to the States Governments. Each State looks upon the Commonwealth Government as fair game. It appears to me that the Western Australian Government has taken up that attitude in connexion with this matter. If honorable senators recognise that it is the duty of the States to get all they can out of the Commonwealth, it is also the duty of the Commonwealth to give as little as it can. We should remember that we are dealing with the money of the whole of the people of Australia. No matter what arrangement is come to with the Western Australian Government, the people of Australia will ultimately have to find the money. I do not know who is to blame in this matter, whether it is the present Government or past Governments.

Senator Sir JOSIAH SYMON.—Does the honorable senator think that any one is to blame?

Senator STEWART.—Some one is undoubtedly to blame. The honorable and learned senator would not conduct his private business in such a fashion. If he arranged to take over a property, he would make sure of the terms on which it was to be transferred to him before he took possession. The Commonwealth Government appears to deal with these matters in a large, vague, and airy fashion. The Western Australian Government makes a demand for £24,000 for this land, and the Commonwealth Government, while it does not say that it will agree to pay that price, says, "All right, we shall take possession, and we can settle that matter afterwards."

Senator PULSFORD.—Why does the honorable senator assume that?

Senator STEWART.—I do not assume that at all. If Senator Pulsford had been listening, he would have heard the Attorney-General tell the Committee that the Commonwealth Government had not agreed to pay this £24,000. I should like to know why this sum appears on the Estimates.

Senator Sir JOSIAH SYMON.—The Committee is asked only to give authority to spend up to that amount.

Senator STEWART.—The honorable and learned senator, if he should continue to occupy his present position, may ask next year for another £24,000 for this purpose. My experience as a member of a State Parliament has taught me that Governments deal very loosely with matters of finance. I am extremely anxious that as the Commonwealth Government is a pattern for the States Governments in everything else, it should be their model also in the conduct of financial affairs. We should not be asked to vote money until a definite arrangement has been come to with the people who are to get it. The Government have no information on this matter.

Senator DAWSON.—The whole thing is a "swap," with the possibility of £24,000 to boot.

Senator STEWART.—This is a new version. On whose foot will the boot be?

Senator Sir JOSIAH SYMON.—Senator Dawson suggests the Commonwealth Government.

Senator STEWART.—If that be so, why is this sum asked for?

Senator DAWSON.—The matter cannot be gone on with unless some amount is voted.

Senator STEWART.—We are told that a certain area of land has been exchanged.

Senator Sir JOSIAH SYMON.—Proposed to be exchanged.

Senator STEWART.—The whole thing seems to be in a nebulous condition. Nothing is certain and definite, and everything about it is unbusiness-like. I am disposed to move that the vote should be struck out, in order that some trustworthy information on the subject might be placed before the Committee.

Senator GIVENS.—What item is the honorable senator discussing now?

Senator STEWART.—Senator Givens should be a member of the Government. The honorable senator evidently knows as little about the subject as do the members of the Government in this Chamber.

Senator Sir JOSIAH SYMON.—The honorable senator has not got hold of the right matter.

Senator STEWART.—Then I hope the Attorney-General will tell me how to get hold of it.

Senator Sir JOSIAH SYMON.—I direct Senator Stewart's attention to the fact that he is assuming that the £24,000 which is being voted is to be expended in the purchase of land, and that it is an actual expenditure. But it is not so at all. The land to which he has directed his very clear remarks involves only a portion of the total estimated cost of £87,000 on these fortifications at Arthur Head, North Fremantle. The expenditure in respect of land is estimated at £34,000. We are now authorizing the expenditure of £24,000,

not necessarily in respect of the land, but towards going on with the work.

Senator GIVENS.—That commits us to the whole expenditure.

Senator Sir JOSIAH SYMON.—Oh, yes, but it must not be assumed that the £24,000, or any of it, has to be spent on land. In any case, it has been agreed between the Western Australian Government and the Commonwealth that their land is to be treated as part of the transferred properties. Items 8, 9, and 10, under the heading of Western Australia, in division 2, make up a total of £16.800, and there is a note at the bottom of the page showing that £7,600 has to be added to that, representing expenditure which is provided for under division 6, sub-division 1, item 15. That makes up the total of £24,000, which is merely the amount which Parliament authorizes to be spent during the current year.

Senator DAWSON.—That is the absolute outside limit to which the Government can go.

Senator Sir JOSIAH SYMON.—Yes; having spent that amount, we must come to Parliament for a further authorization. My honorable friend Senator Stewart seems to be under the impression that we are going to pay £24,000 for land of which we do not know the area or the value.

Senator GIVENS.—We are committing ourselves to that ultimate expenditure.

Senator Sir JOSIAH SYMON.—What we are committing ourselves to is the construction of these fortifications at a maximum cost of £87,000. But we are not committing ourselves to give £24.000 in cash for land. The land is the subject of a transaction between the State and the Commonwealth, which is beneficial to both parties. With this explanation, I think that Senator Stewart will admit that the position is simple; and I should like also to assure him with regard to the general military expenditure that there has been no large increase. The estimated expenditure on defence last year was £581.262. The estimated expenditure provided for this year is £571.114. There is also this to be said—which I feel sure Senator Dawson will bear me out in stating—that every effort is made consistent with efficiency, to keep down the actual expenditure. Last year, as against an appropriation of £581,262, the actual expenditure was £519,170. That, of course, is irrespective of works and buildings, and expenditure on the Imperial Squadron. The expenditure this year on the works and buildings with which we are now concerned, is £130,000. Last year the amount was £97,000; but the difference is due to the cost of the Fremantle undertaking.

Senator STANIFORTH SMITH (Western Australia).—My honorable friend Senator Stewart, with his native shrewdness and caution, appears to be haunted with the idea that we are not driving a sufficiently hard bargain with respect to the land for the Fremantle fortifications. The question of the value of the land has not been finally decided, but it must be remembered that the Commonwealth will be in possession, and that if there is any dispute as to the actual value of the land, it will be settled fairly, probably by arbitration. The Attorney-General has stated that the Western Australian Government have agreed to consider this land, which they own, as similar to the transferred properties. The Western Australian Government are to be commended for their action in that respect. I believe this is the first time in the history of the relations between Commonwealth and States when that has been done. It shows a proper spirit of reciprocity, and it would be advantageous if it were followed to a greater extent. It would indicate good feeling with regard to great national works which are beneficial alike to both the Commonwealth and the States. I do not wish to mention instances in the contrary direction, but there are cases in which, even in regard to handing over transferred properties, a good deal of friction between States and Commonwealth has been occasioned. I am of opinion that the transferred properties will never be paid for by the Commonwealth in cash. If we succeed in consolidating the States debts, we shall practically take over the whole of the debts that accrued in the creation of the large assets of the States which have not been taken over by the Commonwealth. In the case of the transferred services, it merely means that if we take over States debts we shall take over the property as well as the debts. If we take over the debts of the States we shall, to that extent —perhaps the amount may be £12,000,000 —take over the assets with the liabilities; and, as to the larger indebtedness of £200,000,000, the assets remain under the control of the States. It is exceedingly improbable that the States

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will ever receive payment in cash for the transferred services, and therefore this land is practically a gift from the Western Australian Government to the Commonwealth.

Senator PLAYFORD.—The honorable senator misunderstands the position altogether.

Senator STANIFORTH SMITH.—My point is that we shall probably take over the debts that were created in establishing the properties transferred to the Commonwealth, and that it will never be necessary for the Commonwealth to pay for them in cash.

Senator GIVENS.—We shall have to pay interest on the debt.

Senator STANIFORTH SMITH.—Undoubtedly there will have to be a bookkeeping system, by which each State will have to pay interest on its own debt, which is transferred to the central authority. But I say again that as far as this land question is concerned, the value of it will probably never be paid by the Commonwealth in cash, though no doubt the transaction will be adjusted in some other direction. It seems to me that the objection taken to these items is not to the construction of the forts, but to the purchase of the land, and when it is pointed out that the land is handed over as a portion of the transferred services, the difficulty is practically overcome.

Senator MCGREGOR (South Australia).—It seems rather strange for Senator Smith to tell the Committee that if the Commonwealth takes over land, and pays double what it is worth, in the shape of interest on State debt, we get the land for nothing. It does not matter whether we pay cash for land, or take over a portion of a State's debt to the extent of its value; we have to pay for it just the same. I think that if the Attorney-General will explain one point, it will remove all the difficulties with respect to the items under discussion. Honorable senators will observe in connexion with the military expenditure on works and buildings, that more money is to be spent in Western Australia than in all the other States put together. That fact might alarm the citizens of the other States, who might say, "Why should all this be done in Western Australia, when so little is done in the other States?" But I think that if honorable senators examine the facts closely, they will find that the expenditure is not to be considered new expenditure, which would have to be paid for on a *per capita* basis, but is expenditure which Western Australia will have to bear.

Senator PLAYFORD.—Not for these forts; they are paid for *per capita*.

Senator MCGREGOR.—If the Commonwealth is to sustain this expenditure on a *per capita* basis, it is very unfair to the other States which have already carried out their defence works. If it is necessary to spend these large sums in Western Australia, and the whole of the Commonwealth has to pay for them, Western Australia will reap an immense advantage. Western Australia is having works constructed, for which the other States have to pay.

Senator STANIFORTH SMITH.—Were the defences of Thursday Island not paid for by the other States?

Senator MCGREGOR.—But objection might be raised to the expenditure on fortifications and other works in a State being distributed on a *per capita* basis, while other States have had to pay for similar works out of their own resources. My desire is that the Attorney-General should explain the position.

Senator PEARCE (Western Australia).—Senator Stewart has, though, of course, not purposely, conveyed a false impression as to the attitude of Western Australia on this question. That honorable senator refers to the costliness of this land, and assumes that the people of Western Australia are anxious to drive the Commonwealth into the bargain. The fact is, however, that when the military authorities selected this site, the Fremantle people held a public meeting of protest, and asked that the fort should be removed as far away as possible, so that in case of war the enemy's fire would not be directed to the centre of the town. The British Admiral on the Australian Station was requested to go to Fremantle and report, and, after making an inspection, in conjunction with military officers, who did not belong to Western Australia, the present site was selected as the best. In the face of these facts, it is idle to attempt to assert that the people or the Government of Western Australia are trying to induce the Government to expend £24,000.

Senator TRENWITH.—It might not be desired to sell the land, but if there was a compulsory sale, the owners might ask an exorbitant price.

Senator PEARCE.—Just so, but it is not the wish of the people of Fremantle that the fort should be placed right in the middle of the town. I think it is correct to

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say that this expenditure must be borne *per capita.*

Senator Sir JOSIAH SYMON.—Certainly.

Senator PEARCE.—Then I ask when the objection should have been raised to such an arrangement? Should the objection be raised now, or should it not have been raised when the Constitution was under consideration?

Senator TRENWITH.—If the works form part of the general defences of the Commonwealth they must be paid for *per capita.*

Senator PEARCE.—Were not the defences made a Federal matter in order that they might be removed from the arena of States politics? If Senator Dawson's objection be as I imagine, it is somewhat belated; at any rate, it would certainly have had much more force when the Constitution Bill was before us. That was the time to say that each State should be responsible for its own defences.

Senator TRENWITH.—That would be absurd in a Federation.

Senator PEARCE.—It is only a circumstance that Western Australia, as a new State, has arrived at that stage of development when it is necessary that its ports should be defended; there was nothing to defend at Fremantle previously. I suppose that if South Australia were at the same stage of development as Western Australia is now, Senator McGregor would be urging the erection of forts at Largs Bay.

Senator Sir JOSIAH SYMON.—Senator Pearce has practically explained the matter, but I should like to say that, in regard to the fortifications erected at Largs Bay and other places before the establishment of the Union, I feel no apprehension whatever. All such works are transferred properties, and in the end the taxpayer of the Commonwealth must pay for them. New fortifications are national works which must be paid for by the whole Commonwealth *per capita*, and all fortifications previously erected out of the funds of the States will also have to be paid by the Commonwealth *per capita.* As Senator McGregor pointed out, there are two distinct positions, one where there is expenditure for the benefit of the State, and the other where it is for the benefit of the Commonwealth; and the present instance comes within the latter category.

Senator McGREGOR (South Australia). — I am quite satisfied with the explanation that has been given, and I have no objection to the item being passed. I know, however, that there are a great many people who, in comparing the amounts to be spent in the different States, take the view I indicated previously. Transferred services, of course, stand in a different relation from that of other services; and I raised the question merely in order to give the Attorney-General an opportunity to make an explanation, so that not only honorable senators, but people outside, may understand the position. I quite agree with the Attorney-General that the States which have already carried out such works are in no worse position than are the States in which such works have now to be dealt with, because the former States will be recouped by the Commonwealth. I wanted the position made as public as possible, so that we may not be subject to unjust criticism.

Senator STEWART (Queensland).—My remarks were intended to apply to the transfer of the land, and I desired some definite information as to area and price. The Government ought to be in possession of the facts, and should lay them before the Committee. I have no intention to refer to Senator Smith's remarks about payment not being required, because we all know that the Commonwealth will have to pay for the land. Either this or a previous Government, or the Government before that, are to blame for the very unbusinesslike fashion in which this transaction has been carried out. There is another matter on which I desire some information. I see that a sum of £3,800 is set down for removing and re-erecting buildings, and it would appear that that is a re-vote—that a similar sum was provided last year and was not expended.

Senator Sir JOSIAH SYMON.—The matter of the £3,800 was explained a good many weeks ago. The money was not expended, because the whole matter was left in abeyance until Parliament had been fully informed of the maximum estimated cost of the works. As I have already said, I cannot tell the honorable senator the price agreed upon, because no price has been fixed. All that Parliament is asked to do is to authorize an amount to be applied in a particular way, and I have stated the maximum, which cannot be exceeded, but may be reduced. The matter is still subject to adjustment.

Senator McGREGOR (South Australia).—There is an item of £600 for the pro-

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vision of additional post-office accommodation at Mount Gambier, but I have had a communication from the Post and Telegraph Department to say that the amount has been increased to £1,200. I should like some explanation why the larger amount does not appear in the Estimates.

Senator Sir JOSIAH SYMON.—I am unable to give the information asked. I was not aware that the honorable senator had received any intimation as to the increase of the cost. Do I understand that it will require £1,200 to make the intended improvements?

Senator McGREGOR.—Yes, or thereabouts.

Senator GUTHRIE.—To provide £600 for such a work is ridiculous.

Senator Sir JOSIAH SYMON.—The Senate, of course, is committed to an expenditure of only £600; but I shall make inquiries next week, and endeavour to give the honorable senator the information desired.

Senator O'KEEFE (Tasmania).—In the Estimates for the Post and Telegraph Department there are a number of items which might well engage the attention of the Committee. The amounts set down for the completion of post offices in a number of the States are very large, and honorable senators must have been struck with surprise at the costly buildings which some towns seem to require, particularly in New South Wales and Victoria. Honorable senators, like myself, must have noticed in travelling through the States how great a tendency there is to extravagance in the matter of public buildings, especially post-offices. Where a building, sufficiently large and convenient to meet the requirements of a small town and district, might have been erected for £400 or £500, the cost has amounted to £4,000 or £5,000.

Senator PEARCE.—Is the honorable senator referring to the General Post Office at Hobart?

Senator O'KEEFE.—I admit that Tasmania has been a sinner in that respect, too, and if I wished to draw a distinction, I might point to the Fremantle Post Office. It is a most peculiar thing that a sum of £1,500 or £1,600 should be required to complete the post-office at a small town. For instance, £1,499 is required to complete the post-office at Minyip, in Victoria.

Senator Sir JOSIAH SYMON.—That is a re-vote.

Senator O'KEEFE.—Whether it is a re-vote or not, the ideas of the designer of the building must have been very extravagant.

Senator Sir JOSIAH SYMON.—Minyip is an important town, near Murtoa.

Senator O'KEEFE.—It may be an important town, but when I see that £1,499 is required to complete the post-office there, it strikes me either that it was in a bad state when it was taken over by the Commonwealth, or that there is a tendency towards extravagance.

Senator PLAYFORD.—It is nothing, compared with the item of £20,000 for the Fremantle Post Office.

Senator O'KEEFE.—That is held out as a horrible example; but every honorable senator will find that in his own State the same thing has occurred, and is recurring. I assume that the general desire is to curb any tendency towards extravagance. In travelling through the different States, honorable senators must have noticed that there has always been a tendency to extravagance in the direction of erecting far more costly buildings than were necessary.

Senator Sir JOSIAH SYMON.—In bricks and mortar.

Senator O'KEEFE.—In the size, and very often in the design, of the building. In Tasmania, just prior to the establishment of the Commonwealth, some post-offices and other public buildings were erected, which were quite out of proportion to the requirements of the town or district to be served. That has also occurred in the other States. If honorable senators will refer to the items for New South Wales and Victoria, they will perceive that very large sums, indeed, are required to complete the post-offices in small places. Either the buildings must have been very small ones when they were handed over to the Commonwealth, or the necessity for these large additions has arisen very quickly.

Senator PEARCE (Western Australia).—I wish to give some information with regard to the Fremantle Post Office. When the present post-office was erected all the shipping was done in the open roadstead. Fremantle harbor was not made, and, naturally, the town grew round the open roadstead. The post-office was a small one, but it fulfilled the then requirements of the place. After the completion of the inner harbor the town naturally grew round the inner harbor, and the post-office is now quite three-quarters of a mile away from the principal portion of the town. Moreover, it is too small for present requirements.

The foot-note to the item is somewhat misleading, because the post-office was taken over as a transferred property. What is proposed now is that a new site shall be purchased in the present business portion of the town, and a building erected there. This sum of £20,000 is required to purchase the land, and erect a building thereon, but against that sum ought to be placed the amount which will be realized by the sale of the present building and the site.

Senator PLAYFORD.—It is not necessary to spend more than £2,000 for the land. Half-an-acre would be quite enough for the purpose.

Senator PEARCE.—The land is very valuable, as it is situated in the main street of Fremantle.

Senator GIVENS.—The people might desire the present post-office to be kept open.

Senator PEARCE.—It would be absolutely useless, because it does not serve a residential area. It is situated by the water-side, and is practically abandoned. I believe that not twenty persons would request that it should be kept open. It is too large a building for the few persons who live in the locality, and the proposed new building would suit them just as well.

Senator PULSFORD (New South Wales).—I desire to support the remarks made by Senator O'Keefe. For many years I have felt, and several times I have expressed the feeling, that the expenditure on post-offices is exceedingly unwise. I do not think that this matter can be referred to too often. The fault is not peculiar to any one State. It has been common to all of them, and I fear that it has been unduly continued under the *régime* of the Commonwealth. It is very desirable that the Government should understand that there is room for very material economy in this direction.

Senator Sir JOSIAH SYMON.—I am very greatly in sympathy with what Senators O'Keefe and Pulsford have said. There has been for a long time too much tendency in the States—and I hope it is not likely to prevail under the Commonwealth—to be just a little extravagant in the way of bricks and mortar, in buildings such as post-offices and railway stations.

Senator GRAY.—For instance, the railway stations at Melbourne and Sydney?

Senator Sir JOSIAH SYMON.—Apparently more luxury is required on the line from Sydney to Melbourne, and therefore I shall say no more on that point. I know that a good many years ago, in South Australia, when we were very flush of cash and built railways in various directions with borrowed money, there was far too much expenditure on elaborate railway stations in out-of-the-way places. Solid cut stone and all that sort of thing were used when a good galvanized shed and a wooden platform such as exists at a station with which I am very familiar, would have amply met all the requirements of the traffic. The residents in that locality have been a standing pattern to all Australia as regards station accommodation.

Senator DAWSON. — Adelaide has the most elaborate station in Australia.

Senator Sir JOSIAH SYMON. — The station is very commodious; but I do not think it is very elaborate. I quite agree that great scrutiny should be exercised in respect to the expenditure on public buildings, and that it should bear perhaps more relation than it has done to the necessities of the case—to the actual accommodation required, as well as to the revenue-producing resources of the locality. The great bulk of these items for New South Wales are re-votes, because the greater portion of last year's votes has not been expended.

Senator GUTHRIE.—Why not?

Senator Sir JOSIAH SYMON. — We cannot shovel out the money within a day or two. Three or four Governments have done their very best to comply with the necessities of the public in these places. If a part of the expenditure has been undertaken, the work must be completed. We are practically asked to re-affirm some votes of last year, in order to complete buildings which are in course of erection. We cannot allow unfinished buildings to go to waste. In Victoria it is largely the same, because, with two exceptions, there are no new votes. Recent Governments have been exhibiting that care which is so much required, and only two new votes for Victoria find a place in this Bill. The expenditure at Minyip is practically in that category, because very little of last year's vote has been spent. When we consider how much has to be spent in completing a building, we must keep in view the amount voted for the entire building. I have not seen the plan, and do not know the character of the building to be erected at Minyip. So far practically nothing has been spent for this purpose, but £1,500 will not provide a very large building for post-office purposes.

Senator O'KEEFE.—This is only a portion of the expenditure.

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Senator Sir JOSIAH SYMON.—It is substantially a re-vote of the whole amount required. Senator Pearce has dealt with the Fremantle Post Office, and has informed the Committee that the area of land to be taken for the new building is about one acre. The site is a very valuable one, in the centre of the town, and so long as land is what it is, and the method of buying and selling it what it is, we must expect to have to pay a fair price for land so situated. Honorable senators should take into consideration the fact that the old building on this site will produce something which will go to the credit of this vote.

Senator STEWART (Queensland). — I do not suppose that we can accomplish very much by talking about extravagance in the construction of public buildings, but it is extremely desirable that we should let the country know that the Senate has its eye on public expenditure, and is determined to cut it down where possible. I have taken the trouble to ascertain the population of Minyip. We are asked to vote the sum of £1,499 to complete the post-office at this place, and no one appears to know what sum has already been spent for this purpose.

Senator Sir JOSIAH SYMON.—A few pounds.

Senator STEWART.—That is to say, we are to expend £1,500 on a post-office at a place which has a population of 385.

Senator GRAY.—What is the population of the district?

Senator Sir JOSIAH SYMON.—The honorable senator should consider the district which is to be served by it.

Senator STEWART.—Imagine spending £1,500 on a post-office in such a small place as that! The expenditure proposed would be extravagant if the place contained ten times its present population. The discussion which has taken place should have proved to the Committee the necessity for time being given to consider these measures, and to enable honorable senators to obtain information on the various items before they are asked to vote the money.

Senator MATHESON.—The Senate voted this money last year.

Senator STEWART.—The longer we live the more we learn. The probability is that on that occasion also the StandingOrders were suspended, and we were given no opportunity to consider the items submitted. What appears to me to be one of the most serious pieces of extravagance disclosed in this Bill is the vote of £20,000 proposed for the post-office at Fremantle. They do things in a very grand fashion at Fremantle, and have not yet learned from hard experience how wise it is to avoid spending money lavishly on public buildings. I admit that in Queensland we committed the very same mistake, and we are now repenting in sackcloth and ashes. I really believe that a post-office very much less imposing than one which should cost £20,000 for buildings and land should suffice for a small town like Fremantle, with a population of about 15,000, and within a few miles of Perth, the capital of the State. £5,000 should be quite sufficient for a post-office in such a place. I suppose that the matter is settled, and it is useless to make any objection now. We can only give a hint to the present Government, and to any Government that may succeed them, that we are altogether opposed to this extravagance on public buildings.

Senator McGREGOR (South Australia). —I have no desire to find fault with what is proposed to be spent in Victoria or New South Wales. I expect honorable senators representing those States to have an eye to the local expenditure. I wish to refer to the expenditure proposed at Mount Gambier. We have been told that Minyip is a district where there is a great deal of settlement, in addition to the actual population of the town, but from what I have seen of that part of the country, it is not very closely settled. At Mount Gambier there is considerable settlement, and there is a population of between 3,000 and 4,000 in the town itself.

Senator DAWSON.—What justifies the expenditure of £2,100 there?

Senator McGREGOR.—Only £600 is asked for. What I desire to point out is that it is proposed to incur this expenditure in connexion with old buildings, which in the near future will have to be pulled down altogether. A very large section of the people of Mount Gambier is of opinion that the present post and telegraph office is not in the best position, and that it should be in the position originally selected for the purpose, and on which a fairly substantial building was erected. By some manœuvring, whether municipal, political, or social, I am unable to say, the post-office was removed from its original position to the site which it now occupies. I am given to understand, by people in Mount Gambier, that it would be quite possible to dispose of the present post-office and site. It would be far better to do that, and expend

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this money on the construction of a post-office on the original site, where it would give satisfaction to the majority of the people. The difficulty is that it is impossible to secure unanimity amongst the local people. Self-interest creeps in, every man wishes to have a post-office or a railway station at his own door, and Governments are sometimes prevented from doing what is right on that account. I have drawn attention to the matter in order that the Attorney-General, who knows something of Mount Gambier, and has favorable recollections of the place, might induce the Department to make further inquiries, and see whether it would not be advisable to dispose of the present building and site, and meet the convenience of the majority of the people at that place by transferring the post-office to the original site.

Senator FINDLEY (Victoria).—I have noticed that honorable senators from other States have taken a great interest in imaginary extravagance which is said to have taken place in the State of Victoria in regard to its public buildings.

Senator GIVENS.—We have an example of it in the building which we occupy now.

Senator FINDLEY.—Senator Stewart called particular attention to Minyip, and went to some little pains to ascertain the population of the place. The honorable senator did not state the case fairly in saying that the population of Minyip is a little over 300, because it is the centre of a very important agricultural district. I wish to say a word or two with regard to Queensland. My attention has been directed to the proposed expenditure of £537 for the post-office at Killarney. I am told that there is not a tree within ten miles, or a water-hole within twenty miles of Killarney, and that the railway running to the place does not pay for axle-grease. I have learned also that a nomad travelling to Killarney and anticipating that he would find beautiful scenery there, said to the proprietor of the lonely bush shanty at the place, "I thought that Killarney was noted for its beauty spots?" and received the reply, "So it was, sir, but yesterday a wandering goat made its appearance and consumed all the beauty spots there were about the place."

Senator DRAKE.—The honorable senator must be speaking about some other Killarney.

Senator FINDLEY.—I am speaking of the Queensland Killarney. If it is thought that £1,400 should not be voted for a post-office at an important place like Minyip, I should like to know why we should be asked to vote this money for a post-office at a place like Killarney?

Senator GIVENS (Queensland).—I wish to say that Senator Findley's remarks on a portion of southern Queensland, which he has never seen, and about which he has no accurate information, are a pure libel. The honorable senator will himself be the first to admit that when he receives the accurate information, without which he should not have spoken.

Senator TURLEY.—The population of Killarney is three times as great as is that of Minyip, and only one-fourth of the sum asked for the post-office at Minyip is asked for the post-office at Killarney.

Schedule agreed to.

Bill reported without amendment; report adopted.

Bill read a third time.

SEA CARRIAGE OF GOODS BILL.

Report adopted.

TRADE MARKS BILL.

Report adopted.

SPECIAL ADJOURNMENT.

Motion (by Senator Sir JOSIAH SYMON) agreed to—

That the Senate, at its rising, adjourn until Wednesday next.

Senate adjourned at 1.5 p.m.

House of Representatives.

Friday, 25 November, 1904.

Mr. SPEAKER took the chair at 10.30 a.m., and read prayers.

STATE OF BUSINESS.

DISSOLUTION OF PARLIAMENT.

Mr. HIGGINS.—I desire to ask the Prime Minister, with all kindliness and respect, whether, in view of all the circumstances, he yet recognises the paralysis of this House for the purposes of useful business? Does he see his way to take such steps as are in his power to enable the people to decide between us?

Mr. REID.—That is a matter which may at some future time be worthy of very pressing consideration, but, on the brink of the recess, it is simply cruel to make a suggestion of the kind.

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COMMONWEALTH COINAGE.

QUESTIONS WITHOUT NOTICE.

Mr. BAMFORD.—In this morning's *Argus*, in the monetary and commercial column, it is stated that an arrangement has been made by the Government in reference to the seigniorage on silver coined in London for use in Australia. I ask the Prime Minister if that statement is correct, and, if so, will he inform the House what arrangement has been made? It is also stated that the depreciation in the gold coinage minted in Australia will have to be provided for by the Commonwealth. Does that statement refer to the gold coinage in circulation in Australia only, or to all the gold coined in Australia?

Mr. REID.—I have information on the subject to which the honorable member's question refers, but, as the question is a very important one, I ask him to give notice of it, so that I may make a more satisfactory statement than I could make offhand. I should like to remark that I have never known a House in which so many questions are asked without notice. It is scarcely fair to Ministers to expect replies offhand to questions which involve, at times, very careful consideration. It would be much more convenient to the Government, and, I think, more satisfactory to members asking questions, if, as far as possible, notice were given. Of course, there are occasions when the question is one of great urgency; I do not allude to questions of that kind. My remarks apply to questions in obtaining an answer to which the loss of a day is not of the slightest consequence.

REFUND OF DUTY.

Sir WILLIAM LYNE.—I wish to know from the Minister of Trade and Customs whether he has yet obtained the papers in connexion with the refund of duty by the Customs Department to Mr. Sandford. He promised to lay them upon the table of the House, and I wish them to be made public as soon as possible.

Mr. McLEAN.—I regret that I overlooked the promise which I made to the honorable member, but I can tell him how the matter stands, and I shall be very glad to lay the papers upon the table. I had a communication from Mr. Sandford, pointing out that he was entitled to interest at 5 per cent on the money refunded, which was held by the Department for over three years. That claim was allowed, interest at that rate having been paid in similar cases. I shall be glad to let the honorable member see all the papers.

Sir WILLIAM LYNE.—The Minister promised, the other night, to lay the papers upon the table. I desire that they be printed, or made public.

Mr. KNOX.—Why?

Sir WILLIAM LYNE.—I do not know that I need give an explanation now, but there is a history attached to this matter. As I said the other night, it is not in antagonism to the Government that I ask for the production of the papers.

Mr. McLEAN.—This Government has had nothing to do with the matter. It was a concern of a Government of which the honorable member was a Minister.

Sir WILLIAM LYNE. — The matter has been before two or three Governments. If the papers are not to be printed, they might be laid upon the table of the library. This is a very important case.

Mr. SPEAKER.—I ask the honorable member not to debate the question.

Sir WILLIAM LYNE.—I do not wish to debate it, but I desire that the papers be made public as soon as possible.

TASMANIAN MAIL SERVICE.

Mr. MAUGER.—Has the Postmaster-General any objection to laying on the table the papers connected with the subsidy paid to the Union Steamship Company for the carriage of mails between Tasmania and Australia?

Mr. SYDNEY SMITH.—I will look through the papers, and will let the honorable member know whether there is any objection to laying them on the table.

WARMATTA TELEPHONE.

Mr. CHANTER.—Some time ago, I asked that the papers in reference to the enforcement of a bond in connexion with the construction of a telephone line to Warmatta be laid upon the table. When will they be ready?

Mr. SYDNEY SMITH.—I will see about the matter.

DEFENCE BILL 1904.

SECOND READING.

Mr. McCAY (Corinella—Minister of Defence).—I move—

That the Bill be now read a second time.

Through the courtesy of honorable members, I was permitted, some weeks ago, to

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make a statement of the proposals of the Government in reference to the future administration of the defences of the Commonwealth, and I need not now weary honorable members with a repetition of what I then said. I shall therefore content myself on this occasion with reminding the House that this is purely an enabling measure. The honorable and learned member for Northern Melbourne drew attention to the fact that it leaves the Administration at large; but I think that those who administer the measure may, like those administering other measures, be trusted to carry out its expressed intentions. Seeing that these proposals are to a certain extent experimental, the Bill has been so drafted as not to prevent the Administration from meeting unforeseen contingencies. In that we have followed the example set in the principal Act, which merely provides that a General Officer Commanding and an Advisory Board may be appointed, leaving the exact allotment of the duties of these authorities to be determined by regulation and administration.

Mr. WATSON.—The Minister is not insisting on the provision in regard to the limitation of tenure?

Mr. McCAY.—No. It may be found in the course of two or three years, or even sooner, that it is not desirable to limit the tenure, and that, like other matters, is left to be decided by experience. Though I myself have a very strong opinion on the subject, experience may prove that I am mistaken in my view. The appointment referred to will certainly be made for a period not exceeding four years, but that will not prevent its being renewed, if, at the end of the term, it is thought desirable to adopt that course instead of making a change. If any questions arise, I shall conveniently be able to answer them in Committee. If I may be permitted to do so, I would ask honorable members to assist in facilitating the passage of the Bill, in order that it may reach the Senate as soon as possible, because, until it becomes law, the hands of the Department will be tied, and, although I am ready to proceed, I cannot do so until we have the necessary legislative authority.

Sir JOHN FORREST (Swan).—I do not wish to prolong this debate, but I desire to reiterate what I have already stated to the effect that the Bill is unnecessary. The present Defence Act, and the powers conferred under it, would enable the Government to practically do everything that could be done under the Bill. The title of the General Officer Commanding is merely a name. He exercises only such powers as are intrusted to him by the Government. There is nothing to prevent the General Officer Commanding from performing, under the present Act, all those duties that it is proposed the Inspector-General shall discharge, and the proposed Board could do nothing beyond what could be accomplished by the Board of Advice provided for under the Defence Act. My principal objection to this hurried legislation is that the Act passed last year, after considerable thought and full discussion—with infinitely more deliberation than is being shown in connexion with the present Bill, because the subject was before us for eighteen months—has not been given a trial. The Minister himself has changed his opinion, and has given us no reason for it. He has stated, further, that this is not his proposal, but that of his predecessors. I should like to know whether the Minister has really changed his opinion, or whether he has merely adopted the views of others. The Minister of Trade and Customs formerly expressed the opinion that a Council of Defence was unnecessary, and several other honorable members took up a similar attitude. I do not know what has happened to bring about a change of opinion, even before a trial has been given to the legislation which was deliberately passed last year. If we had given the Act a trial, and it had failed to accomplish what was desired, I could understand an attempt being made to devise better means of administration and control. It seems to me that, because the late General Officer Commanding carried out his duties in a somewhat autocratic manner, and centralized the control to a greater extent than is considered desirable, it is held to be necessary to make a radical change.

Mr. WATSON.—The undue centralization largely contributed to bring about the change of opinion.

Sir JOHN FORREST.—There is no doubt but that such is the case, but that is not a sufficient reason for the present Bill. The Government can limit or extend the powers of the General Officer Commanding, just as it chooses, and a Board of Advice could be appointed which would be equally as effective as a Council of Defence. I do not know upon whose advice

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the present proposal is being made. The late General Officer Commanding was opposed to it.

Sir JOHN QUICK.—The proposal originated in the Senate.

Sir JOHN FORREST.—Does the honorable and learned member mean to say that we are to follow the Senate in a matter of this kind.

Sir JOHN QUICK.—No.

Sir JOHN FORREST.—I have already informed honorable members that a very high authority in the mother country considers that the Inspector-General should be a member of the Board of Management, and yet the Minister persists in putting forward a scheme under which the Inspector-General is to have no executive authority, and to have no voice, and to have no place upon the Board. As I have already stated, when the Bill reaches the Committee stage, I shall propose an amendment in this respect. I should like to know why the director of the Navy should have a seat on the Naval Board, whilst the director of the Military Forces is to be excluded from the Military Board. The distinction made between the two officers appears to me to indicate that the matter has not been well considered. I was in control of the Defence Department for two or three years, and I am deliberately of opinion that there is no necessity for this Bill at present.

Mr. PAGE.—Does the right honorable gentleman say that there is no necessity for any change?

Sir JOHN FORREST.—No; what I say is that the changes that may be necessary can be made under the present law.

Mr. PAGE.—But the Minister cannot carry out what he proposes under the present Act.

Sir JOHN FORREST.—I am of opinion that he can. The Inspector-General can be intrusted with as many or as few powers as may be desired.

Mr. MCCAY.—I could not even appoint an Inspector-General under the present Act.

Sir JOHN FORREST.—The military head of the Forces could be called a General Officer Commanding, and could be clothed with such powers as would enable him to perform all the functions that it is proposed to delegate to the Inspector-General. The General Officer Commanding can exercise only such powers as are intrusted to him by the Governor-General. I say, further, that all the powers proposed to be conferred upon the Board of Management could be exercised by the Board of Advice under the present Act.

Mr. MCCAY.—I do not think so. I should not have brought in the Bill if I could have done what was desired without it.

Sir JOHN FORREST.—I do not know about that. The Minister is not even giving expression to his own views, but is carrying out those of other people. I contend once more that the Bill is unnecessary at the present time, and that all the administrative changes necessary can be carried out without any alteration of the existing law.

Sir WILLIAM LYNE (Hume).—For once I am in accord with the right honorable member for Swan. I think that he is perfectly right when he says that in effect all that is provided for in the Bill could be carried out under the present law. I cannot understand why the measure was introduced. If it is intended to adopt a system similar to that followed in Great Britain, I think that the proposal is ill-advised. Our conditions are utterly different from those which prevail in the mother country. We have only a small force, which could be controlled by one responsible officer. Under the proposal in the Bill it is intended to relieve the commanding officer of a great deal of the responsibility which should properly rest upon him. Then again it would be possible for the Minister to shelter himself behind the proposed Council of Defence.

Mr. WATSON.—The late General Officer Commanding expressed the opinion that the present system precluded interference on the part of the Minister, and relieved him of responsibility.

Sir WILLIAM LYNE.—In all financial matters the Minister has a perfect right to interfere. He is, through Parliament, the representative of the people, and when I was Acting Minister of Defence, during the absence of the right honorable member for Swan in England, I insisted upon exercising control over the commanding officer in all matters where the expenditure of money was involved. Upon two occasions—in connexion with the establishment of schools of instruction in Sydney and Melbourne—the General Officer Commanding persisted in proceeding contrary to my directions, and I had to stop supplies in order to compel submission to the authority in control of the finances. The proposed Council would scarcely be an advisory body; it would have much greater powers.

Mr. MCCAY.—It is to be an administrative body.

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Sir WILLIAM LYNE.—And, to that extent, will relieve the Minister of responsibility.

Mr. MAUGER.—It will increase the responsibility of the Minister.

Sir WILLIAM LYNE.—I do not think so. It seems to me that it is proposed to create very ponderous machinery for the control of a very small number of men. The Minister will probably tell us, as he has already told me privately, that it will be convenient to permit the Inspector-General to travel over the various States in order to see that defence matters are put in proper order whilst the Minister is sitting in Melbourne, and requires his frequent advice. The same result might be brought about, however, if the Inspector-General remained at Head-Quarters, and sent his principal staff officer to perform the work of inspection. I do not know what expenditure will be involved in connexion with the proposed Council. No provision is made for the fees or salaries that are to be paid.

Mr. McCAY.—If the honorable member had read my memorandum, he would have found some reference to the question of cost.

Sir WILLIAM LYNE.—I have not seen the Minister's memorandum. There is nothing in the Bill to indicate the amount of money which will be involved in the adoption of this scheme.

Mr. McCAY.—Is there in the principal Act?

Sir WILLIAM LYNE.—I do not think there is. The fact that the late General Officer Commanding—able officer though he is—was frequently not in accord with the Ministerial head of the Defence Department, was responsible for a good deal of friction during the term of his appointment, and largely contributed to the state of affairs which exists to-day. In my opinion, this Bill constitutes ill-considered and ill-advised legislation. Then, I ask, why should the Naval Commandant be appointed to the Naval Board, while the Inspector-General is not appointed to the Military Board? The Bill contemplates the constitution of two boards, and it seems to me that if the Naval Commandant is to be appointed to one body, the Inspector-General should occupy a seat upon the other. In my opinion, the principle which should be laid down in connexion with our Military Forces is that of direct responsibility to the Minister, and through him, to this House. I feel that the Bill is a step in the wrong direction. The right honorable member for Swan has pointed out that the Minister of Defence has given no reason for his change of opinion.

Mr. McCAY.—I did not just now, but I gave reasons previously.

Sir WILLIAM LYNE.—The Minister gave no valid reason for his change of views.

Mr. McCAY.—That is a matter of opinion.

Sir WILLIAM LYNE.—I should like to know whether the Cabinet have discussed the question of who is to be appointed Inspector-General? I notice that Brigadier-General Finn has been temporarily appointed General Officer Commanding the Commonwealth Forces. I interpret that fact to mean that he will subsequently be called upon to fill the office of Inspector-General. I understand that an officer has been temporarily appointed State Commandant of New South Wales?

Mr. McCAY.—Only temporarily. It is no secret that the Government propose to offer the position of Inspector-General to Brigadier-General Finn.

Sir WILLIAM LYNE.—I am very glad to hear that. It seems to me that he should be offered the position; but I think that the Government would be acting more wisely if they appointed him General Officer Commanding. If they did so, I am convinced that there would be very little friction between the military and the civil side of the Defence Department during the next three years, and that there would be no occasion whatever to pass a Bill of this character. In my judgment, the measure is a retrograde movement, and is a piece of legislation which may require to be repealed in three or four years' time.

Mr. SALMON (Laanecoorie).—I wish to congratulate the Minister upon the action which he has taken. I have had some slight connexion with the Defence Forces of Victoria for more than ten years, and during the period I was associated with the McLean Administration, I had an opportunity of becoming intimately acquainted with the work of the Defence Department.

Sir JOHN FORREST.—For how long was that?

Mr. SALMON.—About twelve months. During that period, I took a very live and real interest in that Department. In my opinion the events which have recently occurred in Great Britain more than justify the action that is now proposed. The

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feeling pervading the whole British Empire is that it should possess a force which should be purely of a defensive character, and not for purposes of aggression. We must endeavour to educate our citizens up to an appreciation of their duty in this respect, and consequently must free ourselves from that military domination from which we have suffered so severely. The very strongest possible censure upon the very able officer who has just left our shores was uttered by the honorable member for Hume, who insinuated that if Brigadier-General Finn had filled the position of General Officer Commanding during the past three years there would have been no necessity for this Bill. No more sweeping condemnation of Major-General Hutton could have been uttered by anybody. It shows plainly enough that a man possessed of a strong personality in the position of General Officer Commanding can engender intense friction. We have great cause to feel thankful that we have at the civil head of the Defence Department a gentleman who has so strong a desire to serve the Commonwealth. In my opinion, the Secretary of Defence has rendered yeoman service to his country by the magnificent manner in which he has resisted all the attempts to place that Department in a position independent of this House, and of the country—a position which it should not occupy. I expressed that view very early in the history of the Commonwealth, when honorable members were not as conversant as they are now with the splendid work which Captain Collins has done in Victoria. The right honorable member for Swan declares that this Bill is unnecessary, and I join issue with him at once. I say, from my own personal knowledge, and it is patent to anybody who cares to inquire into the matter, and who has a due appreciation of the importance of the subject, that we must alter the system which has been in force during the past three years. The right honorable gentleman affirms that we could appoint a General Officer Commanding, and impose upon him the duties of Inspector-General. But why, I ask, is there any desire to retain the title of General Officer Commanding? Merely to make it appear that the gentleman who occupies the position has a power which, under this Bill, he will not possess. I believe that the mistakes made by Major-General Hutton were due to his inability to understand the sentiments of Australians. He was absolutely out of touch with our aspirations. Having regard to the terms upon which he was appointed, and the magnificent opportunity afforded him to add the coping-stone to a life of brilliant service to his country, I say—as a strong Imperialist—that we were entitled to more consideration at his hands than we received. The right honorable member for Swan asks—"What is in a name?" I quite agree with him. In this Bill, we should clearly set out our intentions. I admit that Major-General Hutton has instilled into our Forces an amount of discipline to which they were previously strangers, and I am very glad that we have as Ministerial head of the Defence Department a gentleman who possesses an intimate acquaintance with defence matters. I believe that we have at last reached a solution of our present difficulties. We need, however, to foster and develop a truly national sentiment. Although I agree with the honorable member for Hume, that the gentleman indicated by the Minister as likely to be selected for this high and responsible position will do his best in that direction, the fact remains that we shall not always have his services. The time will come when his place will be taken by another, who may perhaps make the disastrous mistakes which were committed by the officer who has just left our shores. In my opinion, the Minister has done well. During his brief term of office, he has acquired a better knowledge of this subject than he had before, and I feel sure that nothing but the results of his investigation have prompted him to propose this change in system. He is entitled to every credit for the position he has taken up.

Sir JOHN FORREST.—He has changed his mind.

Mr. MCCAY.—That is not quite accurate.

Mr. SALMON.—I am not surprised that the right honorable member for Swan should object, because that is a trait of the party with which he has been so long and honorably connected; but I am certainly surprised that the honorable member for Hume should have offered the same objection to this material advance in the administration of the Department. I believe that the Department can be properly administered only when its civil branch is placed in capable hands, and due prominence is given to that part of our defence system. I should have liked to speak at greater length on this subject, but I am very

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anxious that the Bill should be passed into law, and, as time is valuable, I recognise that I must necessarily curtail my remarks.

Sir JOHN QUICK (Bendigo).—When the right honorable member for Swan, as Minister of Defence, introduced the first Defence Bill to the House, I made the suggestion that it should embody the principle of a Council of Defence somewhat analogous to that which existed in the Defence Act of Victoria. I believe that I was the first to make that suggestion in the House, and I remember that it received but scant support. The honorable and learned member for Corio was the only member who supported the proposition.

Mr. MAUGER.—I proposed a new clause providing for a Council of Defence.

Sir JOHN QUICK.—But that was in the second session of the Parliament. I cannot help contrasting the indifference with which my proposal was received thus early in the history of the Federation with the very strong support which is now being given to the principle.

Mr. WATSON.—We have since had some experience of a centralized administration.

Sir JOHN QUICK.—I congratulate the House upon the change which has come o'er the spirit of our dream. It is a change in harmony with the principle which has existed in the Victorian Act, and which I understand worked well. The principle received the hearty support of the Victorian Military Defence authorities, and the late Lieut.-Col. Sargood was one of its strongest advocates. I had the honour of several conversations with him upon the subject, and from him I received strong inspiration in favour of a Council of Defence being provided for in the first Defence Bill. I have no doubt that this change in the sentiment and the opinion of the House is due—as the honorable member for Laanecoorie has somewhat delicately hinted—to the very extraordinary military administration under which Australia suffered while our forces were under the command of the military officer who has just left our shores. Of absent men, perhaps the least said the better, but I can ascribe the great change which has occurred in the opinions of honorable members only to the manner in which our military laws were administered under the recent *régime.* I strongly and heartily approve of the main outlines of the scheme which has been presented by the Minister. I approve, first of all, of the Council of Defence, which is to be charged with the consideration of questions of military policy. I also approve of the proposal to create a Naval Board and a Military Board.

Mr. WATSON.—The Council is not to be charged with the matter of administration; that responsibility will be taken by the Minister.

Sir JOHN QUICK.—Then, let us say that it will be entrusted with it.

Mr. WATSON.—It is to be asked to assist the Minister.

Sir JOHN QUICK.—I apprehend that the board of which the Minister will be a member, will have certain powers.

Mr. WATSON.—The Minister will find that he is responsible.

Sir JOHN QUICK.—That may be, but if the Minister meets the various members on equal terms——

Mr. WATSON.—I hope that he will not do so.

Sir JOHN QUICK.—Is he to be endowed with the power of veto?

Mr. WATSON.—I should say so.

Sir JOHN QUICK.—I am not aware of the details, but——

Mr. MCCAY.—The minute which I have circulated points out that Ministerial responsibility cannot be abrogated by any scheme.

Sir JOHN QUICK.—That is perfectly true. I would not, for one moment, suggest that it should be abrogated. The only criticism which I have to offer on the whole scheme is directed not to the essence of the Military Board, but merely to its composition. The Board should undoubtedly be composed of the most prominent military officers available, and, that being so, I cannot understand why so important an officer as the Inspector-General should be excluded from its deliberations.

Mr. MCCAY.—He is to be a member of the Council.

Sir JOHN QUICK.—As at present advised, I think it would be a great mistake to provide that the Board shall merely be advisory to the Minister. I wish to know why the Inspector-General is to be excluded from it? *Primâ facie* he is to be a military officer. The very best military officer we can obtain in Australia is to occupy the post of Inspector-General, which is only another name for that of General Officer Commanding, and no doubt the functions exercised by him will be analogous to those of a General Officer Commanding. They certainly ought to be

If we have so important an officer occupying this position, why should he be excluded from the Military Board? Even assuming that it is not to have supreme power—that it is to be only a board of advice—why should he not have a right to take part in its deliberations? He might be brought into military contact with the board, and his advice and his information might be accepted and rendered available. It is said that because the Inspector-General in England is excluded from the Military Board, the same course should be followed in Australia. There is a great difference between the positions and the functions of the two boards. In England there may be an abundance of military talent apart from the Inspector-General to advise the Board, but here there is a limit to it. On this point I wish to read an extract from a letter which has been received in Australia from a very distinguished officer, who was immediately associated with the Imperial scheme, and whose identity may be conjectured by honorable members. I should like to lay great stress upon the following passage, which although it is merely an expression of opinion, is worthy of special attention:—

> If you have a good Inspector-General, you rather require his presence and advice upon the Board. On the other hand, he ought to be constantly away from head-quarters if he is to do his work properly.

Later on, in the same letter, this officer writes—

> I do not think your Inspector-General can be outside the Board, which will need his administrative experience, but within his assigned domain he could exercise executive authority.

I would suggest that the matter of the appointment of the Inspector-General a member of the Board should be reconsidered. My own opinion is that his inclusion would be a decided advantage. Certainly, if the Naval Director is to be a member of the Naval Board, I fail to see on what principle of justice, fairness, or logic, the Inspector-General can be excluded from the Military Board.

Mr. G. B. EDWARDS (South Sydney).—The honorable member for Hume has shown that for once he is in accord with the right honorable member for Swan, and I also am surprised to find myself for once holding views in harmony with those of the honorable member. I condemn the proposal to hand over the control of the Department to a Council of Defence. I have previously expressed the opinion that Parliament should retain control, through its responsible Minister, of the Department, as affording the best check against the very evil which those who support the Bill think it will prevent. I see no reason why we should place the administration of our defence system in the hands of a Council any more than we should hand over the administration of the Post and Telegraph Department to a like body. It may be argued that we may have Ministers of Defence who are not familiar with the work which the administration of the Defence Act involves; but it might also be said that, from time to time, we shall have Postmasters-General who could not be expected to be acquainted with all the details of the Postal Department. No one can say that the present Postmaster-General is a first-class electrician, and his knowledge of many other branches of his Department may also be deficient. But the honorable gentleman, and those who have preceded him, have succeeded in administering the Department, with its immense expenditure and its army of retainers, without any special knowledge. They have had to rely on their ordinary business ability, and to avail themselves of the advice of their responsible officers. We certainly ought to retain control, through the Minister, of the Defence Department. I admit with sorrow the statement made by the honorable member for Laanecoorie, that our first experience of the system of having a General Officer Commanding was not satisfactory. But this was not because of any particular fault on the part of the gentleman who occupied that position. He is a renowned soldier of very great ability, but, as has been pointed out, he was lamentably out of touch with Australian sentiment. I have been surprised at the silence which has been maintained by honorable members regarding the great want of sympathy which the late General Officer Commanding displayed with Australian sentiment in the matter of defence; but I do not think we should rid ourselves of the difficulty by adopting the proposal made in this Bill. To my mind, the new presbyter would be old priest writ large. With a Council of Defence we shall have to contend with greater difficulties than we have had, or would be likely to have again, with a General Officer Commanding. Whatever the Minister may say, such a Council would be, to a very great extent, a barrier between, if not him, at least some of his successors, and the Parliament. When honorable

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members complained of certain acts of administration, the Minister would be able to say that he had been strongly recommended by the majority, or the whole, of the Council, to adopt the course to which exception was taken, and that he did not see his way clear to go beyond it.

Mr. McCAY.—The Council is not going to administer the Department.

Mr. G. B. EDWARDS. — The charge has been made against the Minister that he has changed his mind, but I am not in a position to say that it is correct. No one but a perfect genius or a perfect fool remains without changing his mind on most subjects.

Mr. McCAY.—I know that I am not the first, and I hope that I am not the second.

Mr. G. B. EDWARDS.—The honorable and learned member is nearer the first than the second. He cannot, however, expect the rest of us, who have expressed opposition to his proposals, to change our minds for no better reasons than he has given. He and others have said that a defence of these proposals is contained in the Bill, but it is not a sufficient defence. The clause creating the Council of Defence, for instance, should be much more explicit. The honorable and learned member for Bendigo has pointed out that the Inspector-General is not to be a member of the Council.

Mr. McCAY.—Yes, he is.

Mr. G. B. EDWARDS.—I did not understand that. The mistake emphasizes my complaint that the Minister has not put his case before us with sufficient clearness. The Bill itself should expressly state how many and what military and naval officers are to be members of the boards and council, and how many civil members there are to be. The measure is wanting in many details, and the Minister has not made up for its shortcomings by a statement sufficiently full to enable us to thoroughly understand it. Honorable members who support the measure have argued in favour of what they term the civil control of our defence system. I do not think we can obtain civil control more perfectly than by having a General Officer Commanding, subject to such limitations as we may see fit to impose, and a Ministerial head responsible to this House for the policy adopted, and the manner of administration. I regard the introduction of the Bill as a retrograde step, because I think that it will to some extent lessen the civil control of our defence system, and the responsibility to Parliament of those intrusted with the administration of the Defence Department. Therefore, I shall oppose the second reading.

Mr. SKENE (Grampians).—From the first I have been rather favourably disposed towards the appointment of a Council of Defence, and I have no great fault to find with the machinery provided in this Bill. There are certain parts of it, as I said the other night, such as those relating to the position of the Inspector-General, which might be altered; but that, of course, is a matter for the Committee. I have, however, a good deal of sympathy with the view of the right honorable member for Swan, that it would be well not to proceed too hastily in this matter. We know that there is gradually growing up in this country a feeling against bringing men, however able, from the old country to command our troops, because it is thought that we should begin to train our own officers for such positions. Some honorable members seem to hesitate about mentioning this fact, but I do not know why it should not be referred to openly. It was evidently recognised by the late General Officer Commanding, because, speaking in Sydney a few days before his departure, he said—

> He had known Australians in peace and war for twelve years, and he knew the feelings of Australian troops better than any man in the Empire, and he would tell them plainly that Australians wanted to be commanded by an Australian, or a man with Australian sympathies.

Mr. McCAY.—He also stated on several occasions that there is no one in Australia fit to command the Australian army. That was one of his main objections to the scheme.

Mr. SKENE.—That may be his opinion, but it need not be ours. He has, however, recognised the sentiment to which I have referred, which culminated in friction between him and the Minister. It seems to me that we might very well experiment with the present system a little longer under the new General Officer Commanding whom the Minister has in his mind, because I believe that Brigadier-General Finn is likely to get on well with the Australian troops, and before his term of office expires, we may have been able to adopt the system suggested by the Minister, of sending men to be trained where there are the best opportunities for acquiring knowledge. I think that a good deal of the friction which has occurred has been due, not to the regulations or methods of administration, but to the desire to which I have referred, to have an Australian at

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the head of the Australian troops, and if opportunities are given for the training of our own officers we may ultimately not find the proposed drastic change necessary. The Bill says that the General Officer Commanding and the Naval Officer Commanding shall have such powers as the Governor-General may direct.

Mr. McCAY.—Under the Act, what powers are taken away from the General Officer Commanding must be given to the Minister.

Sir JOHN FORREST.—There is a Board of Advice.

Mr. McCAY.—That is not an Administrative Board.

Mr. SKENE.—It seems to me that there are too many boards. I know that it has been proposed in the old country that the Commander-in-Chief shall have a seat in the Cabinet.

Mr. SALMON.—Does the honorable member disapprove of the proposals which are being put forward in England at the present time?

Mr. SKENE.—I have not sufficient knowledge in regard to them to be able to criticise them.

Mr. McCAY.—Australia is the only place of any importance where the system now proposed is not being followed.

Mr. SKENE.—That may be so; but the proposals in Great Britain are in an experimental stage only.

Mr. McCAY.—The Admiralty has been governed for 200 years by the methods which it is now proposed to apply to the army.

Mr. SKENE.—I agree with the honorable and learned member for Bendigo, that it would be well for the Inspector-General to have a seat on the Military Board, of which I approve, though I do not see the reason for the Council. There seems no need for a buffer between the Military Board and the Naval Board, and the Cabinet. It is like employing too many cooks. I think that the Military Board and the Naval Board ought to report directly to the Minister, the civil authority who is supposed to have most information on the subject. I have risen chiefly to support the right honorable member for Swan, the honorable member for Hume, and others, who have expressed the view that we might defer this change for a little time, experimenting further with the existing system under a new Commandant, and, in the meanwhile endeavouring to train officers of our own for the command. I feel that I cannot, under present circumstances, support the Bill, though I take no great exception to its machinery.

Sir JOHN FORREST.—We have not yet given the present system a fair trial.

Mr. SKENE.—I agree with the right honorable member. It might be better if the Board of Advice were altered into something like a Council. It is difficult to realize the difference between the Board of Advice and the Council which is proposed.

Mr. PAGE (Maranoa).—I acknowledge that I am a convert to the proposal of the Minister to create a Council of Defence. Having read the reports of the English method, I am satisfied that what is good enough for the old country is the plan that we should adopt, especially as we have a defence force only, and not an army of offence. All that we wish to do is to defend our hearths and homes. We have no desire to send our soldiers outside Australia. I cannot understand, however, why the Naval Commandant should have a seat on the Council, while the Inspector-General has not.

Mr. McCAY. — The Inspector-General has a seat on the Council just as the Naval Director has. The Naval Director is a member of the Naval Board, because our Naval Forces are so small.

Mr. PAGE. — Will the Inspector-General have the same powers under the present scheme as the General Officer Commanding has? Will he go all over the Commonwealth, instead of being confined to Melbourne?

Mr. McCAY.—His business will be to go about.

Sir JOHN FORREST.—He will have no executive authority.

Mr. PAGE.—If we have a Council of Defence, I do not think he needs executive authority.

Sir JOHN FORREST.—His business will be to report; that is all.

Mr. PAGE.—That is all we really want. I am under the impression that the whole of our Defence Forces are in a state of chaos. I know that that is the case in Queensland, where greater dissatisfaction now exists than ever before. I do not wish to say any hard things about the late General Officer Commanding, but, in Queensland, officers and men alike agree

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that he was the most overbearing, Imperialistic man they ever met. He fairly struck terror into the hearts of the officers, and I feel sure that the honorable member for Laanecoorie struck the right nail on the head when he said that he was not in sympathy with Australian sentiment. We do not want to maintain a large army upon Imperial lines, but to have a citizen soldiery for purely defence purposes. In Tasmania, the utmost confusion exists in connexion with Defence matters. There are more officers than privates in the Forces there to-day. The Tasmanian officers and men who went to South Africa came out of the war with flying colours, and there is no reason why the Tasmanian Forces should not be put upon a thoroughly sound and effective footing. The honorable member for Grampians referred to the statement of the late General Officer Commanding, to the effect that there was no officer in Australia fit to take command of the Forces here. That does not bear very high testimony to the efficiency of the officers whom we have obtained from the old country. They have been here for years instructing our Forces, and we have spent millions of money upon our defences, and yet we are told that we have not any officers who are capable of assuming command. I am very favorably impressed with the proposal for the interchange of officers. I think that is the best of the ideas put forward by the Minister. Military science is a progressive one, and unless we send abroad for information we cannot possibly keep up-to-date. I trust that we shall make liberal arrangements for the exchange of officers with the Imperial Army at home, in India, and elsewhere. If this be done, it will contribute as much as anything to bring our Forces up-to-date and render them efficient. I desire to place before the Committee a few suggestions which have mainly been furnished by an officer of our Forces, of whom I have a high opinion. My ideas coincide, to a very large degree, with those expressed in the memorandum, which reads as follows:—

The Defence of Australia, viewed from its geographical position.

1st. It is the only Island Continent in the world.

2nd. Being one white race, one language, and one people, our only fear of war is from outside, therefore, our plan of defence must be suited to our requirements, and cannot possibly be similar to that of any other Continent.

Australia is now coveted by the overcrowded races of the East; the Japanese are equal to any white race on sea or land, and a very few years may make the Chinese the same.

Mr. Page.

If we are to hold our own, defence must become with us as much a part of every citizen's life as it is that of the Swiss, and in the same way as far as general training is concerned.

As an Island Continent, our first line of defence must be immeasurably stronger than our second line of defence, for with our large Continent and sparsely inhabited land, if once an enemy effects a landing and establishes a base in any one State, we can say good-bye to it.

Requirements of 1st line of defence:—

1st. A Navy, composed principally of small fast cruisers, to meet, check, and, if possible, stop, an invasion.

2nd. A Garrison Artillery, armed with guns equal to any that can be brought to bear against them from the sea; for, if outranged, they are silenced.

3rd. As perfect a system of submarine mining as is possible to prevent a fleet which may have passed the Navy and Garrison Artillery from anchoring or landing troops.

Requirements of 2nd line of defence, and its composition:—

1st. Light, long-range, quick-firing field guns to prevent a landing or disperse an enemy.

2nd. Riflemen, composed of the entire male population from 16 to 60, who are not employed in the above arms.

This young country cannot afford a large standing army, and yet it must be always prepared for invasion.

There is only one solution to this problem, and that is to train the entire population when at school.

This can be done thoroughly and effectively by making physical training and the small amount of drill now required a part of every day school work, and will cost in a short time, after training the teachers, not one extra penny to the country, and, at the same time, produce the most magnificent results to the boys themselves, for after life, and to the country, if need be, against invasion.

The senior boys, before leaving school, must be made good shots, which, with boys, is quickly done, and the problem of Australia's defence is solved.

From the boys so trained, those wishing to join the Permanent Artillery and Navy will find they have to compete against the pick of Australia for admission, and so a corps *d'élite* of permanent officers and men is formed.

The present electoral divisions can form the regimental districts, each elector being available to be called out in time of war to represent his electorate in the battery or regiments of riflemen of his electorate. The polling booths to form mustering stations, and the entire nation could be called out in one day by keeping a proper system of records and a skeleton army in time of peace.

Each electorate must have a rifle range up to the full extent of the modern rifle, 3,200 yards, and not one fitted for the Brown Bess, to keep the boys, now men, in practice.

Five or six establishments of a Field Battery can be drilled in turn on the guns of a single battery, and so more than one battery of gunners can be trained to supply casualities, although fighting as riflemen.

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When I was at the battle of Ingogo, in South Africa, the whole of the officers attached to the battery with which I was connected were killed or wounded, and all the gunners, except myself, were placed *hors de combat*. Some of the members of the Rifle Brigade were called upon to assist me, but they had no knowledge of big-gun drill, and the consequence was that the whole of the training of the guns, the sponging, loading, and firing was left in my hands. I had to do the best I could, and I did it with effect and saved the whole position. That is why I say that men should be drilled in the use of field-guns, and if not required as artillerymen utilized as riflemen. At the battle of Ulundi, when the men belonging to my battery were not required as artillerymen, Lord Chelmsford mounted them upon the artillery horses, and used them as cavalry in turning the enemy's flank. The memorandum continues—

The Boers in their ordinary clothes were just as invisible as the British in their khaki uniforms. We could follow their example, and so save expense, which can be but ill borne; I propose that the outfit be limited to (1) rifle, the best going; (2) a leather bandolier; (3) a water bottle; (4) a haversack; (5) a pair of leather leggings; (6) a hat ribbon (as in the Navy for each ship) bearing the name of the electorate.

Compare this scheme of universal defence, at a moderate cost, with that provided for in the Estimates which are submitted by the General Officer Commanding, 1905-6—

	£
Sum to be voted	600,000
The entire sum laid aside for the Navy ...	47,500
The entire sum for training of boys ...	3,366
But the Army Medical, who have only a few healthy men, of the R.A.A. ...	5,719
The Field Artillery of Australia ...	7,880

Now, the Light Horse are not a cavalry regiment, they can only be used for land service. The States are not going to fight against each other. And it is far better for riflemen guarding the coast, or moving rapidly from point to point on the coast, to be transferred in trains. Yet this absurd transformation of Colonel T. Price's Mounted Rifles into Australian Light Horse has cost thousands.

Honorable members can imagine the large number of horse-waggons that would be required for the transport of mounted corps, from, say, Brisbane to Adelaide. Four times as many foot soldiers could be conveyed in the same trains. The statement proceeds—

And to what end; the first line of defence must take from one-half to three-quarters of the entire vote to protect the country, say the Navy, G.A., and Engineers, account for £150,000, just one quarter.

The following are the figures in round numbers:—

	£
Cadets	3,366
Garrison Artillery	87,111
Rifle Clubs	51,752
Engineers	15,393
Annual training	20,700
Field Artillery	7,800
	£186,122
Navy (approximate)	£47,500
	£233,622

Where is the balance?

It will be seen that more than half the total vote is spent upon frill and feathers.

The annual training should be carried out by the batteries and the regiments of Rifle Clubs, &c., on the march for a week, where they will learn tactics, outposts, advance, rear, and flank-guards under service conditions (and cooking)—not in a standing camp, which is merely drill and a picnic.

The present style of encampment is looked upon as a mere picnic. What we require to do is to give our Forces training such as the Imperial troops undergo during their route marches. They do not know where they are going, or when they are coming back, and they have to forage for themselves. I do not wish to detain the House any further.

Mr. McCAY.—I shall not occupy five minutes in replying. I wish to refer to some remarks made by the right honorable member for Swan, to the effect that I had changed my mind without giving any reasons, and that perhaps I had not even changed my mind, but had adopted someone else's opinions. I desire to read what I said a week or two ago upon that point. I remarked—

Some honorable members may recollect that on former occasions I rather leaned in the direction of maintaining a centralized system under a General Officer Commanding. Speaking two years ago, I said that I did not think the time was yet ripe for inaugurating a new system. My leanings were decidedly in that direction. But, after giving the fullest consideration to the subject, and recognising the responsibility which rests upon me personally, as well as upon the Government, I frankly and fully admit that I am now a convert.

The right honorable member for Swan fastened upon the word "convert"——

Sir JOHN FORREST.—I read what the Minister said.

Mr. McCAY.—Perhaps the right honorable member will exercise a little patience, and allow me to present my own case in my own way.

Sir JOHN FORREST.—The Minister is having all the say.

Mr. McCAY.—I do not think that remark is quite fair. I have always displayed the utmost courtesy towards the right honorable member——

Sir JOHN FORREST.—The Minister should not lecture me.

Mr. McCAY.—If I even appeared to lecture the right honorable member, I must express my regret, because I had not the slightest intention of doing so. I now propose to read what I said upon the question of the appointment of a Council of Defence, and I venture to think that when I have done so, honorable members will say that wherever I criticised the scheme proposed by the honorable member for Melbourne Ports, it was because it did not accomplish what the present scheme will accomplish. I said—

I hope the honorable member for Melbourne Ports will not press his amendment. I think that I may fairly say that during the course of this debate I have not displayed any great subservience to military authority, or any great advocacy of the absolutism of that authority. I think a Board such as the honorable member suggested, would be entirely unworkable, in view of the large area of the Commonwealth and its scattered population. There is no parallel between the Council of Defence in England and the Council which it is now proposed to constitute. The English Council is really a semi-political body, which is intended to harmonize the relations between the political and the military administrations upon all important matters of policy.

That is what this scheme does. I continued—

One can understand the desirableness of such a Board, in view of the conflict that has existed between the financial and the executive branches of the administration. The proposal of the honorable member is modelled upon the Council of Defence which existed in Victoria up to the time of the establishment of Federation, and the wording of the new clause is practically the same as that of the section of the Victorian Act. The Victorian Council of Defence at times did great service; but, as a matter of fact, every member of that Council for many years past was a resident of Melbourne, and it was very easy to call a meeting of that body.

The proposal of the honorable member for Melbourne Ports would have included as members of the Board persons residing all over Australia.

Sir JOHN FORREST.—Will not that be the case under this Bill?

Mr. McCAY.—No, they will all be resident at the Seat of Government.

Sir JOHN FORREST.—It will practically be a Victorian Board.

Mr. McCAY.—No; it will be a Board composed of the best available men. I proceeded—

Very often valuable suggestions were offered by the junior members of the Board, which proved of service to the administration, but during the term of one officer as Commandant, the Council of Defence simply served as a battlefield for the struggle which was waged between the Minister of Defence and the Commandant. Unfortunately, the Council never possessed the power that it purported to exercise, because the Minister on the political, and the Commandant on the administrative side, exercised the real control.

That criticism is not applicable to the measure which is under consideration.

It must always be so, unless the command is put into commission as is the case with the Admiralty.

That is exactly what is being done in the present instance. The Admiralty precedent is being followed. I added—

I think that the Minister's proposal fairly meets the case.

In other words, a Board of Advice was required in addition to a General Officer Commanding. I continued—

I am afraid that we have not sufficiently developed our national life to be able to tell exactly what form of boards, and what methods of procedure, it will be best to adopt. In the meantime, I think we may well adopt the suggestion of the Minister. However strongly we may feel that a Council of Defence is desirable, we are not in a position to say how it would work or the best form which it should take. Personally, I do not see how it could exercise effective control unless all the members composing it were established at the Seat of Government while they retained their positions upon the Board.

I venture to say that in those remarks there is not a single word which does not absolutely confirm the position which I take up to-day. So far from contradicting my present attitude, the speech which I made more than a year ago—at a time when I never anticipated that I should be submitting this Bill to-day—absolutely indorses the views which I still entertain. Whether the proposals contained in this measure be good or bad, honorable members must recognise that I have no contradictory attitude to explain away.

Sir JOHN FORREST.—We did not give the other system a trial.

Mr. McCAY.—That system has been in operation for three years.

Sir JOHN FORREST.—We have had no Board of Advice yet.

Mr. McCAY.—But the Board of Advice was intended to mitigate the disadvantages of the system of having a General Officer in command. I can assure the right honor-

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able member for Swan that this Bill implies no reflection upon the legislation which he introduced.

Sir JOHN FORREST.—The Minister is aware that in entertaining the views which I do, I am in very good company.

Mr. McCAY.—The authority to which the right honorable member refers, declares that we ought to adopt the Council system, and not that of having a General Officer in command. The only question which he discusses is as to whether we should have an advisory board.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1 (Short title and incorporation).

Mr. MALONEY (Melbourne).—As the Minister is aware, I was adverse to sending any Australian troops to South Africa to take part in the Boer war. At the same time, I desire to bring under his notice a great wrong which has been done to one of these men. The individual in question whose name I shall be glad to submit to the honorable gentleman, went to South Africa with one of the contingents, where he served with distinction. Subsequently, he was sent to England as a member of the Australian guard of honour. Upon his return to his country, he was gazetted as an officer of fairly high rank.

Mr. McCAY. — Perhaps the honorable member will supply me with the facts privately? If so, I will promise to investigate the matter.

The CHAIRMAN.—I do not see how the honorable member for Melbourne can connect his remarks with the clause which is under consideration.

Mr. McCAY.—If the honorable member will see me privately about the matter, I promise to investigate it.

Mr. MALONEY.—Very well.

Clause agreed to.

Clause 2—

Section 4 of the Principal Act is hereby amended by omitting therefrom the paragraphs defining "General Officer Commanding" and "Naval Officer Commanding," and by inserting in lieu thereof the following paragraphs :—

"Inspector-General" means the Inspector-General of the Military Forces appointed under this Act.

"Naval Commandant" means the officer in command of the State Division of the Naval Forces.

Mr. JOHNSON (Lang).—At this stage, I wish to inform the Minister that subsequently I intend to move the addition of a new clause prohibiting the sale of intoxicating liquors in any camp or canteen. It is a provision similar to that which was proposed as a new clause in the Defence Bill last year.

Sir JOHN QUICK (Bendigo).—I desire to ask the Minister whether it is necessary to absolutely abolish the positions of General Officer Commanding, and Naval Officer Commanding. It is admitted that in time of war it will be necessary to appoint such officers.

Mr. McCAY.—There is nothing to prevent any officer from being appointed to the command in time of war.

Sir JOHN QUICK.—I am aware of that. What I wish to know is why it is proposed to altogether obliterate these offices. Why should they not be allowed to continue as dormant offices? That would be preferable to leaving them to be created by executive act.

Mr. McCAY.—In time of war, the position to which the honorable member refers would not be that of General Officer Commanding; but that of Officer Commanding in the field.

Sir JOHN QUICK.—Surely that is merely a distinction in name, because at the present time, the General Officer Commanding is the Commander-in-Chief.

Mr. McCAY.—No. The Governor-General is the Commander-in-Chief.

Sir JOHN QUICK.—But he delegates his powers to the General Officer Commanding.

Mr. McCAY.—The position is that the General Officer Commanding is, so to speak, the symbol of one system, whereas the proposals now before the Committee relate to a system of peace command and administration. The retention of the office of General Officer Commanding would not in any way increase the executive powers which would require to be exercised in time of war.

Sir JOHN FORREST.—What powers would the Officer Commanding possess?

Mr. McCAY.—All the powers vested in the Commander-in-Chief in the field under our Defence Act, and under the King's Regulations.

Sir JOHN QUICK.—But surely we should have distinct legislation upon the subject?

Mr. McCAY.—I will promise the honorable and learned member to look into the question which he has raised regarding executive authority and law, and if I find that it is desirable to do as he suggests, I shall arrange accordingly.

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Mr. REID.—Is not the term "General Officer Commanding" attached to active duties under the Act?

Mr. McCAY.—The section states that the Governor-General may appoint a General Officer Commanding, who shall exercise such powers, and perform such duties as the Governor-General may direct. Those powers could be exercised by the Inspector-General in time of war.

Sir JOHN QUICK.—I do not see the necessity for obliterating an office which would require to be re-created in time of war.

Mr. McCAY.—I do not think that the honorable and learned member is strictly accurate in saying that the office would need to be re-created. We should merely have to create the office of General Officer Commanding the Forces in the field. However, I promise to look into the matter with a view to ascertain if the provision does limit the executive power in any way, and if it does, to provide a remedy.

Sir JOHN FORREST (Swan). — I would draw the special attention of the Minister to the necessity for providing that in time of war the Governor-General shall have power to appoint an officer to command the whole of the Forces. Many statutory powers would have to be vested in the officers appointed; but that could not be done in the absence of any express provision in this measure for his appointment.

Mr. REID.—Can there be any doubt as to the power of the Executive to make such an appointment?

Sir JOHN FORREST.—The Executive would no doubt be able to appoint an officer to command the Forces of the Commonwealth, but it would not, I think, have power to vest in him the powers given by the Act to the General Officer Commanding. From time to time the Forces of the different States may be brought together to take part in a review or for military exercise, and I think it would be well to give the Inspector-General the power to command the whole Forces on such occasions. If there were a meeting of troops in Victoria, and troops from Queensland and New South Wales took part in it, there might be some friction as to who was to command.

Mr. McCAY.—The senior combatant officer would take command.

Sir JOHN FORREST.—I think it would be better to provide that the Inspector-General when present shall take precedence of the District Commandants and all other officers.

Mr. McCAY.—That point has come under observation, and the Government are taking steps to insure the result mentioned by the right honorable member.

Sir JOHN FORREST.—No doubt the Minister will submit a new clause providing that, in time of war, the Inspector-General shall command the Forces, and I trust that it will also provide that that officer shall take command when the Forces of the different States meet in time of peace.

Mr. McCAY.—The difficulty which the right honorable member has in mind can be overcome by giving the Inspector-General the necessary rank. That is the regular way.

Sir JOHN FORREST.—That system might not always be effective. It is unwise, I think, to leave everything to regulations.

Sir JOHN QUICK (Bendigo).—I accept the assurance of the Minister that he will consider the point I have raised; but I apprehend that, in passing this Bill, we should take care to provide for a fairly complete and workable scheme. The Government should not seek to get rid of any point that is raised, merely by saying that the matter will be provided for by an executive act. It does not do to depend too largely upon executive acts, and I am not sure that the suggestion I have made could be carried out in such a manner. By the Constitution the Command-in-Chief of our Forces is vested in the Governor-General, and it may be that by executive acts he may delegate his power to any particular officer. But it would require legislation to enable the Governor-General to be represented on the field by an officer occupying the position of Commander-in-Chief. The Defence Act, as it stands, provides for the office of General Officer Commanding. That I apprehend means not a mere Inspector-General fulfilling certain functions, but a General Officer Commanding to represent the command in chief of the Governor-General. It is proposed now to repeal that provision. I do not see any necessity to do so. It is necessary to create the two new offices for which the Bill provides, but I know no reason for obliterating the connecting-link between the Governor-General and the General Officer Commanding. I decline to recognise that the Executive have the power to

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create this office, and say that it ought to be founded on an Act of Parliament.

Mr. McCAY.—If, on examination, the power does not appear perfectly clear under the Act, we shall introduce the necessary provision in the Bill.

Sir JOHN QUICK.—I am very glad to accept that assurance. The Minister will recognise, I hope, that I am not offering this criticism in any captious spirit, but simply from a desire that the scheme shall be a thoroughly workable one.

Clause agreed to.

Clauses 3 to 6 agreed to.

Clause 7 (Substitution of Council of Defence for Board of Advice).

Sir JOHN FORREST (Swan).—I move—

That the following sub-clause be inserted :—

"2A. The Inspector-General and the Director of Naval Forces shall be *ex officio* members of the Military Board and the Naval Board respectively."

I trust that the Minister will accept this amendment, for I feel that it will be found advantageous to make the Inspector-General a member of the Military Board.

Mr. PAGE.—He will be a member of the Council.

Sir JOHN FORREST.—But the Council will deal only with the larger matters of policy. It probably will not meet more than once or twice a year, and will have nothing to do with the ordinary administrative work of the Department.

Mr. PAGE.—The Inspector-General will be able to act as special pleader for the policy that he favours.

Sir JOHN FORREST.—If he were a member of the Board he would be able to do so.

Mr. REID.—We wish to keep them above these Boards. He will have to criticise them.

Sir JOHN FORREST.—What I am suggesting is supported by the highest authority.

Mr. KELLY.—How often would the Board meet?

Sir JOHN FORREST.—Frequently.

Mr. McCAY.—It will not meet very often.

Sir JOHN FORREST.—Unless it does so, a number of subordinate officers will carry on the administration of the various branches of the Department, without supervision, save in regard to matters brought before the Minister.

Mr. KELLY.—If the Board were to meet often the Inspector-General could hardly be expected to attend.

Sir JOHN FORREST.—When in Melbourne he would be able to attend.

Mr. REID.—He will be travelling all over the Commonwealth.

Sir JOHN FORREST.—I think we expect too much from the Inspector-General in the matter of travelling.

Mr. SYDNEY SMITH.—He must know what is going on.

Sir JOHN FORREST.—The Postmaster-General is supposed to be familiar with the work of his Department, but he does not travel from State to State, and visit post-office after post-office. Even a banking institution finds it necessary to have more than one inspector, and the Inspector-General will discover that it is necessary to have sub-inspectors to travel from place to place. Is it to be assumed that this officer will travel to every out-station in Australia?

Mr. REID.—No.

Sir JOHN FORREST.—As the honorable and learned member for Bendigo has said, if we have a competent officer as Inspector-General his presence and advice will be required by the Board. He ought to become the General Officer Commanding in time of war, or when the forces from the different States are brought together in time of peace, and it will be his duty to supervise training and staff duties. Is such an officer to be directed by a subordinate? Is the officer supervising ordnance, the Chief of Staff or the Adjutant-General, to control his branch of the Department, and to issue orders to the Inspector-General as to what he shall do?

Mr. McCAY.—He will not do anything of the kind.

Sir JOHN FORREST.—He will forward his instructions to the Inspector-General.

Mr McCAY.—He will not do so.

Sir JOHN FORREST.—How is the Inspector-General to get instructions? Members of the Board will be subordinate to him, and yet they will be given a position of control over him.

Mr. REID.—No; that is quite foreign to the new office.

Sir JOHN FORREST.—He will have no executive authority. If, for example, he goes to Thursday Island and sees anything of which he disapproves, he will have no power to say to the responsible officer there, "This is wrong, and you must at once put it right." If he were to do so, the officer would at once reply,

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"I regret I cannot take any instructions from you, sir."

Mr. REID.—If he made such a reply, he would prove himself unfit for his position.

Sir JOHN FORREST.—My point is that the Inspector-General would have no executive authority enabling him in such a case to at once give instructions regarding any matter that required attention. He could only make a report on his return to head-quarters. The proposed system may work well in England, where it is possible to travel from one end of the country to the other in a day, but in a vast continent like Australia we need an Inspector-General with executive authority.

Mr. PAGE.—Does the honorable member think that Brigadier-General Finn would accept such a position as he would have us believe this will be?

Sir JOHN FORREST.—I am dealing with a public matter in an open way.

Mr. REID.—But the principle is settled.

Sir JOHN FORREST.—The question whether the Inspector-General shall be a member of the Military Board has not been settled.

Mr. REID.—But the right honorable member was speaking of the powers of the Inspector-General.

Sir JOHN FORREST.—I contend that I have correctly described what his position will be unless the amendment be adopted. As a member of the Board he would have executive authority.

Mr. GROOM.—He could not perform the functions of the Board for himself.

Sir JOHN FORREST.—The Board might intrust him with executive authority.

Mr. MCCAY.—The right honorable member's proposal is that the Inspector-General shall be the Board, or, in other words, that he shall be another General Officer Commanding.

Sir JOHN FORREST.—It is an easy matter for honorable members to cavil at my proposals, but I have very good authority for them. The inconsistency of the attitude taken up by the Minister is shown by the fact that he proposes that the Director of the Naval Forces shall be a member of the Naval Board, because he will not have much to do. If the principle is to be introduced in the one case, why should it not be observed in the other? If there is no place for the Inspector-General on the Military Board, there should be no place for the Naval Director on the Naval Board.

Mr. MCCAY.—I hope that the right honorable member will not press the amendment. In the communication to which he has referred the writer, an officer of great experience, says that he is not sure whether the Inspector-General should, or should not, be on the board.

Sir JOHN FORREST.—He says, "I do not think your Inspector-General can be outside the board."

Mr. MCCAY.—These are his exact words—

The difficulty about a board in Australia is, as you say, to find the members. Here, under our scheme, every member administers a very large Department—quite enough for one man—and millions of money. With us, I thought it essential that the Inspector-General should be outside, and controlled by the Council. If you have a good Inspector-General, you rather require his presence and advice upon the board. On the other hand, he ought to be constantly away from head-quarters if he is to do his work properly. He ought also to become a General Officer Commanding in war only, and when the State Forces are brought together for a common purpose. In peace time, he must, I think, in addition to inspecting, supervise training and staff duties, which I propose he should do. On the whole, I think the balance of advantage is in making the Inspector-General a member of the board—

That is not a very emphatic declaration—

which need not often meet as a board, since questions of general policy cannot often arise, but will transact its business as a board.

Under the scheme proposed by the Government, the Inspector-General is a member of the Council of Defence, so that his knowledge and experience are at the service of the Government when important questions of policy arise.

Mr. SKENE.—Only in regard to questions of policy?

Mr. MCCAY.—All big questions of administration are matters of policy. Policy does not mean merely war schemes, but anything transcending the mere question as to how parliamentary appropriations are to be expended.

Mr. SKENE.—It does not include administration?

Mr. MCCAY.—No. The Inspector-General will be too good a man to be engaged with routine administration. No one man can administer, inspect, and carry on executive command and training. Australia is too big for that; and extent of territory is quite as great a factor in this matter as the number of troops to be controlled. The General Officer Commanding pointed out in his last report that, owing

to the demands on his time made by his administrative duties, he was unable to carry out his inspecting duties. The right honorable member for Swan must have found—as I have found since—that the General Officer Commanding was often away inspecting when he was required in reference to matters of administration. The individuals carrying on administrative work must be separated from the individuals carrying on inspecting and executive work, if both classes of duty are to be properly performed. I wish to take full advantage of the knowledge of the Inspector-General by putting him on the Council. and I do not wish him to be prevented from doing his essential work—seeing that the Forces have been properly trained—by keeping him in an office transacting administrative duties. If the Inspector-General were given a position on the board, which is an administrative board, what administrative duties would be assigned to him—because a member of an administrative board without administrative duties would be in an extraordinary position? If he were on the board to control it, he would be in the position of a General Officer Commanding having a Board of Advice, and one of two things would happen; he would dominate the Board, or the Board would dominate him.

Sir JOHN FORREST.—The Minister would be there.

Mr. McCAY.—The Minister should not be made an arbiter between the Board and his General Officer Commanding. Besides being a member of the State Legislature, I occupied a position in the State forces at the time, and this made me fully cognizant of the fact that under the Victorian system the Minister sometimes had to resolve the battles between the Commandant and the Council, while sometimes the Council had to try to resolve the battles between the Minister and the Commandant, owing to the indistinctness of the lines which divided their duties. The work of inspection is quite enough for a good man, while others will be told off for the work of administration, and within their own districts the State Commandants will be the executive officers. The system which we now propose is in force in every country of importance, and has been satisfactorily carried out in England in regard to the Admiralty for two centuries, so that every precedent is in our favour. It cannot be said that British experience in any of the wars of the last century has proved the value of the General Officer Commanding system. If the Inspector-General were placed on the Board *ex officio*, he would either dominate it or be dominated by it, and would, moreover, be reporting to himself. In reporting after an inspection, he would say, "So-and-so is going wrong," and then, as a member of the Board, would take his own report, and say, "This must be remedied in the way I suggest, or things will not go on properly," so that we should get back to the General Officer Commanding system again.

Mr. SKENE.—If the Inspector-General is not on the Board, we shall have officers of lower rank criticising his proposals.

Mr. McCAY.—The honorable member does not seem to fully grasp what are the duties of the Board, and what are the duties of the Inspector-General. The Board is running the machine, so far as administration is concerned, and the Inspector-General is no more subordinate to it than is the inspector of machinery under the Mines Act to the engineer in charge of that machinery. The Inspector-General reports to the Board if he thinks that anything is going wrong, so that the Board may have an opportunity to put it right. The Minister will be a member both of the Board and of the Council. If the Board did not do what the Inspector-General thought should be done, he could bring the matter before the Council.

Sir JOHN FORREST.—Could not the Inspector-General be called in and examined by the Board?

Mr. McCAY.—No. The Board is responsible for the administration, and it is the duty of the Inspector-General to observe the results of that administration.

Sir JOHN FORREST.—Surely, if the Board wishes to consult the Inspector-General, its members will be able to send for him.

Mr. McCAY. — They may ask him to come, but they cannot send for him, because he is not under their administration. He is no more subject to the Board than the Auditor-General of the Commonwealth is subject to the Departments whose accounts he audits. The Government may be wrong in the view which they hold in regard to this matter, and the rest of the world may be wrong in having adopted this system; but it is essential to our proposition that the Inspector-General shall have nothing to do with actual administrative work, which is left to the Board. I ask the right honorable member to give us an opportunity to see how the system will work.

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Sir JOHN FORREST.—The Government is not giving the present system a fair opportunity.

Mr. McCAY.—I hope that the right honorable member will not press his amendment, because, if carried, it would defeat an essential part of the system which the Government wish to introduce.

Mr. SKENE (Grampians).—I think that it is quite possible that I do not grasp the point which the Minister is trying to impress upon honorable members. It still appears to me that no man with any self-respect would put himself in such a position as that contemplated in regard to the Board. The Inspector-General will have to report to the Board, which will be constituted of men inferior to himself in rank and qualifications. His report must be dealt with in one way or the other by the Board. If it be accepted, well and good, but if not, the Inspector-General will in effect be corrected by his inferiors.

Mr. DUGALD THOMSON.—He will audit their work.

Mr. SKENE.—No; it appears to me that they audit his work.

Mr. McCAY.—No, he will audit their work. If he were on the Board he would be auditing his own work.

Mr. SKENE.—If he sends in his report to men who are inferior in rank, they will be auditing his work.

Mr. McCAY.—No, they will not.

Mr. SKENE.—I confess that I do not understand the position as put by the Minister. I am regarding it from an ordinary business man's point of view, and I say that no officer who has any self-respect would place himself in such a position as that contemplated.

Mr. McCAY.—The Inspector-General will not occupy a position similar to that of a bank inspector.

Mr. REID. — Brigadier-General Finn knows all about the position, and has practically accepted it, so that the honorable member's argument falls to the ground.

Mr. McCAY.—The Duke of Connaught occupies exactly the same position in England.

Mr. SKENE.—The position is very different in England, seeing that there are any number of men equal in rank to the Inspector-General to constitute a Board.

Mr. McCAY.—The position in England is exactly similar. Every officer on the Board is the junior in rank of the Inspector-General. There are four Major-Generals on the Board.

Mr. SKENE.—If I understood the Minister aright, he said that the Inspector-General would have executive power with regard to training and instruction.

Mr. McCAY.—I did not say that. The Inspector-General is to inspect and report.

Mr. SKENE.—To whom does he report?

Mr. McCAY.—The Board.

Mr. SKENE.—Then, in his executive work he is to be subordinate to the members of the Board?

Mr. McCAY.—The honorable member does not understand what executive command means. In all matters relating to carrying out work in the field, the Inspector-General will be the senior officer in command. If the troops go into camp, for instance, the Inspector-General, if present, will be in supreme control.

Mr. SKENE.—I can only say that I entirely fail to understand the position as put by the Minister.

Mr. PAGE (Maranoa).—The honorable member for Grampians seems to be very much troubled about the Inspector-General. I would ask him, however, to consider the position in England. Lieutenant-General Lyttelton is, I believe, the senior officer of the Military Board, all the rest of the members being Major-Generals. The Inspector-General is a Field-Marshal, and yet he has to report to his inferior officers.

Sir JOHN FORREST.—I am not so sure about that.

Mr. McCAY.—I have the names of the members of the Board. None are of higher rank than that of Major-General. Even the district commanders, lieutenant-generals, are senior to the members of the Board, and yet they are directly subject to the administration of the Board.

Sir JOHN FORREST (Swan).—The Minister seems to have been rather unfortunate in his attempt to establish an analogy between the position of the Inspector-General and that of the Auditor-General. The latter officer has a statutory appointment, protected specially by Parliament, and has also the right of report direct to Parliament in the event of his decisions not being heeded, whereas the Inspector-General will have no such privileges. The recommendations of the Inspector-General may be treated as the Board may think fit.

Amendment negatived.

Clause agreed to.

Clause 8 agreed to.

Clause 9 (Amendment of section 99).

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Mr. KELLY (Wentworth).—I desire to know the reason for providing that reports of Court-Martials shall be sent direct to the Minister, instead of through the Head-Quarters administration.

Mr. McCAY.—Formerly, the General Officer Commanding was merely a conduit pipe. The position of General Officer Commanding has been abolished, and, therefore, we have merely taken away the pipe.

Clause agreed to.

Clauses 10 and 11 agreed to.

Amendment (by Mr. GROOM) agreed to—

That the following new clause be inserted:—

"11A. In all copies of the Principal Act hereafter printed by the Government Printer, all repeals and amendments of the provisions of the Principal Act made by this Act or any Act hereafter to be passed, shall be omitted and inserted, as the case may be, and reference shall be made in the margin of the Principal Act to the sections of the Acts by which such repeals or amendments are respectively made."

Mr. JOHNSON (Lang).—I move—

That the following new clause be inserted:—

"11B. From and after the date of the passing of this Act, the sale of intoxicating liquors by any person in any camp or canteen or army transport, or upon any premises used solely for Military purposes by the Commonwealth, shall be, and is hereby prohibited."

I do not wish to make a speech upon this subject, because the clause is similar to that which was proposed when the Defence Bill was under discussion last year. I understand that it was then fully debated, and the arguments which then did duty will apply with equal force on this occasion.

Mr. McCAY.—I would ask the honorable member not to press his proposal. As he probably knows, no honorable member of this House is more in sympathy than I am with the object he desires to achieve. My career shows that I have consistently supported the views which the honorable member holds on the liquor question. This matter came before Parliament last year, and I then said, as a private member, what I now desire to repeat, namely, that it would be an unwise step to take in the interests of sobriety.

Mr. KING O'MALLEY.—The canteens in the United States Army were abolished.

Mr. McCAY.—The Adjutant-General of the United States reported one year that the abolition was a good thing, and the next year stated that the change had not worked satisfactorily.

Mr. MAUGER.—Other officers reported that the change was eminently successful.

Mr. McCAY.—I would ask the honorable member for Lang not to press his proposal. I can assure him that as the result of long experience and intimate knowledge, I feel convinced that the effect will be to substitute unlicensed and unchecked drinking for drinking under strict control. I shall make sure that the canteen regulations are so stringent as to ensure proper control. Where men have only to go outside the barrack gates or beyond the bounds of a camp in order to get as much liquor as they like, it is better that they should be permitted to obtain drink from canteens under propoer control. If the canteens were abolished, the men would be induced to smuggle liquor into their quarters, and sobriety would certainly not be promoted. I think that a grave mistake would be made if the proposed new clause were adopted.

Mr. MAUGER (Melbourne Ports).—I trust that the honorable member for Lang will press his proposal. The Minister's argument is tantamount to saying that because I do not permit intoxicants to be consumed in my house, I am encouraging my children in habits of insobriety. It is exceedingly unfortunate that this proposal should be discussed upon Friday afternoon, when many honorable members are absent. There is no doubt in my mind that had it been brought forward upon any other day it would have been carried. I do not intend to throw any obstacles in the way of getting this admirable Bill through Committee, but I must express regret that men who are in sympathy with me upon this great question entertain the same view as that expressed by the Minister. I trust that this question will not be made a Government one, because I hope to secure the support of the honorable member for Dalley. I know that he is loyal to the Government and to the Minister of Defence, but I am sure that he is more loyal to his principles, and that he recognises that where there is drink there is danger. I hold that the greater the facilities which are offered for drinking the greater is the danger. May I express regret that you, sir, are in the chair at this particular juncture, because I am aware that you can speak from the stand-point, not only of a military man, but of a duly qualified medical practitioner. I do not propose to delay the Committee, but I intend to press this matter to a division.

Mr. KELLY (Wentworth).—I think that I should be lacking in my duty if I did not place before the Committee one result

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which will follow the adoption of this clause. The Victoria Barracks, Paddington, are located in my own constituency. In those barracks the canteen business is run very much upon the lines of the Gothenburg system. All the profits derived from the sale of liquor are invested in comforts for the men—in reading matter, &c. Thus the temperate thirst requirements of the troops are cared for, the profits accruing from the traffic being devoted to their material and mental comfort.

Mr. THOMAS.—They drink themselves into prosperity.

Mr. KELLY.—Why should that excite the envy of the honorable member? If this clause be carried no drink will be sold within the barracks' area. But I would point out that the authority of the Commonwealth does not extend beyond the boundaries of those barracks. Adjacent to them are numerous public-houses, over which we can exercise no control.

Mr. PAGE.—Is the honorable member aware that the authorities could place every one of those public-houses out of bounds if they chose to do so?

Mr. KELLY.—My honorable friend would outrage the feelings of the State authorities if he attempted anything of the sort.

Mr. PAGE.—It is done at home.

Mr. McCAY.—But in England the men are not forbidden to obtain liquor in the canteen.

Mr. KELLY.—I do not suggest that these hotels cater for the Royal Australian Artillery. I know that they do not. In fact there is no more sober body in Australia than the Royal Australian Artillery. Its members are not thirsty men. They are content to satisfy their temperate requirements in the barracks with the best liquor that is procurable. If they are obliged to go outside the barracks they will resort to an atmosphere which is not nearly so good, from a moral stand-point, as that which obtains inside. They will consume worse drink; and in so doing will also be spending their money in assisting to swell the profits of the publican. That being the case, we should not think of adopting the proposal under consideration. It is premature in the extreme.

Mr. McCAY.—During the interval for adjournment I had an opportunity to discuss this matter with Brigadier-General Finn, and consequently I have been enabled to read the advantage of his thirty-five years of military experience. I have also looked into the regulations, as they stand at present, and I may tell honorable members that I am willing that those regulations shall provide, in the first place, that the liquor consumed in the canteens shall be the property of the corps for whose benefit they are established, and that its supply shall not be farmed out to contractors. That will be equivalent to Government control.

Mr. WEBSTER.—More Socialism.

Mr. McCAY.—I do not care what the honorable member chooses to call it. I am prepared to do everything I can to insure proper supervision in connexion with the liquor traffic.

Mr. CROUCH.—Will the Minister's proposal apply to camps as well?

Mr. McCAY.—Yes. It will apply to all canteens.

Mr. CROUCH.—It will be very difficult to put it into operation.

Mr. McCAY.—It has been done scores of times. In my own regiment I have put it into operation half-a-dozen times without experiencing any difficulty whatever. I am further prepared to provide that there shall be no sales of liquor except to those for whose benefit the canteens are established. In the third place, I am willing to see that boys and cadets are absolutely prohibited from obtaining liquor at canteens. The canteen sergeants will prevent them from entering these places. I will undertake to see that the regulations for all troops are so framed as to insure the carrying out of these conditions. Having made that offer to honorable members, I think they may reasonably accept it as one which goes a very long way in the direction which they desire, without causing the disadvantages which I fear will accompany the absolute prohibition of liquor in military camps.

Mr. WILSON (Corangamite).—I think that the abolition of the canteens in military camps and barracks is a reform which might very reasonably be tried. From personal experience in England, I can say that the results which flow from the canteen system both in camps and barracks, are anything but favorable. I was present in camp at Aldershot and Dover, and I know that the canteen was not a good thing for the members of those camps. We are also aware that the opinion of Lord Roberts is opposed to the canteen system.

Mr. FOWLER.—Does he wish to prohibit the sale of intoxicants absolutely?

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Mr. WILSON.—He would prohibit their sale within the cantonment, or the camp, or the barracks.

Mr. PAGE.—He would not permit them to be sold at all.

Mr. WILSON.—That is so. There are other eminent military authorities who are just as emphatic upon the question. Their opinion is that the canteen is not a good institution for the soldiers, and certainly it is not a good one for the officers. Under these circumstances, I think that very stringent regulations should be framed in regard to the use of the canteen in military camps. I regard the offer of the Minister as a very fair one, but I should like to know how others, entertaining similar views to myself feel in regard to the matter, before consenting to give way. We should certainly control the liquor traffic in camps or barracks very strictly indeed if we are to prevent possible abuses.

Mr. WEBSTER (Gwydir).—For once I am thoroughly in accord with the Minister of Defence. I think that he has suggested a course which will commend itself to everybody who is interested in the welfare of those who live in barracks or in camp. Before we give prohibition a trial, we should await the results of a system of Government control, so far as the canteens are concerned. I congratulate the Minister upon his action.

Mr. PAGE (Maranoa).—The honorable member for Wentworth seems to be very much concerned lest the members of the Royal Australian Artillery may go outside the Victoria barracks and obtain bad grog.

Mr. KELLY.—Lest they shall be compelled to go outside the barracks.

Mr. PAGE.—My experience at Woolwich and Aldershot leads me to differ entirely from the conclusions drawn by the honorable member. It is that nearly all the crime committed by men in barracks, had been the result of obtaining drink within those barracks. Out of the thousands of troops stationed at Aldershot and Woolwich the percentage of those who get drunk outside is very small indeed. At Woolwich and Aldershot Saturday was usually pay day, and every Sunday morning the guard-room was full of men charged with drunkenness and other offences, due to the drink they had obtained at the canteen, although it closed at 9 p.m.

Mr. WEBSTER. — That might have been because of the quality of the liquor.

Mr. PAGE.—No complaint could be made on that score, for the spirits were sold as supplied to the canteen. According to the honorable member for Wentworth, the Federal Government have no control over hotels. Let me tell him that in every garrison town in Great Britain certain hotels are placed out of bounds, and God help the soldier who is found in any one of them. If the Federal authorities thought fit, they might declare twenty, thirty, or forty hotels in the vicinity of the barracks out of bounds, and any soldier found in them would be liable, not only to imprisonment, but, if he had a good conduct badge, to a deduction of one penny per day. I think the Minister has gone a long way towards meeting the position; I certainly am satisfied with his proposal in regard to the supply of drink at camps and cantonments in different parts of the States. Last Easter twelve months I saw several boys lying about one of the camps in a drunken state, and made up my mind to do my best to render it impossible for strong drink to be supplied at such places. The Minister has told us that the supply of drink to cadets and civilians will be strictly forbidden, and that should remove the difficulty. We certainly ought to give the Minister's proposal a trial.

Proposed new clause negatived.

Bill reported with an amendment.

Mr. McCAY (Corinella—Minister of Defence).—I understand that the Senate has now no business before it. The Bill has passed through Committee with only one amendment, providing in effect that when the principal Act is reprinted it shall be as amended by this or any other measure. It may thus be said that the Bill has passed practically without amendment, and if honorable members would add to the favours they have already shown to the Government that of allowing the Bill to pass through its remaining stages to-day, we should be able to send it on to the Senate for consideration on Wednesday next.

Mr. McDONALD.—Shall we adjourn as soon as we have disposed of this Bill?

Mr. McCAY.—That does not affect the question before us. I wish to have the Bill sent on to the Senate without delay, so that I may set to work to put the new scheme in operation as soon as possible. If the House objects to the report being adopted, we shall simply have to deal with it on Wednesday next, and some other business will be taken this afternoon. By leave I move—

That the Standing Orders be suspended to allow the Bill to pass through its remaining stages this day.

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Mr. SPEAKER.—Is it the pleasure of the House that I put the question?

HONORABLE MEMBERS.—Hear, hear.

Question resolved in the affirmative.

Mr. McCAY.—I move—

That the report be now adopted.

During the consideration of the Bill in Committee the honorable and learned member for Bendigo raised a point as to the legal position of the Inspector-General in time of war. I have promised to look into the question, and shall do so before Wednesday next. Unless I am satisfied that we can deal with the matter as an Executive act, I shall see that the necessary amendment is made in another place. With regard to the amended regulations relating to canteens, I may say that I shall have them drafted without delay, and shall be very pleased to submit them to any honorable members who may wish to see them before they are gazetted, in order that they may be satisfied that they carry out the promise I have made to the Committee.

Sir JOHN FORREST.—The Minister also promised to consider my point as to the command of the Forces in time of peace. If anything is required to be added to the Bill in regard to that matter, I presume that it will also receive attention in the Senate?

Mr. McCAY.—That also is included in my undertaking.

Question resolved in the affirmative.

Report adopted.

Motion (by Mr. McCAY) proposed—

That the Bill be now read a third time.

Mr. CROUCH (Corio).—I feel that I shall not unduly occupy the time of honorable members by offering some criticism on the third reading of this Bill. The House has resolved to accept a scheme which was decided upon by the last two Ministers of Defence, and adopted by the present administrator of the Department, so that even if I had spoken on the motion for the second reading of the Bill, it is improbable that I should have been able to influence its decision. What I shall have to say will be by way of protest, and largely in the nature of a prophecy. I am afraid that there is an ultimate danger in connexion with this Bill, and the criticism which I offer may receive the attention of another place, or of this House at some future time, when we find that the measure has not realized the anticipations of those responsible for its introduction. I recognise that the Minister is only performing a patriotic duty; that he has done everything within his power to bring the Defence Forces into the best possible condition; but I regret that the Bill passed through the Committee stage as quickly as it did. The Minister really made a second-reading speech, explaining the proposals of the Government, when the Defence Estimates were before us, and in consequence the remarks made by him this morning, in moving that the Bill be read a second time, were somewhat curtailed. When I arrived, I found that the motion had been agreed to, and that such good progress had been made in Committee that the proposed new clause, moved by the honorable member for Lang, was under consideration. In these circumstances, I feel that it is my duty to avail myself of this opportunity to put my views before the Minister, who I believe will give consideration to them, knowing that I have always taken a deep interest in defence matters, and have made them the subject of careful study. When the Defence Bill of 1903 was before us, the honorable member for Melbourne Ports moved an amendment providing for a Council of Defence, under which the office of Commander-in-Chief was to be continued. I gave that proposal my support, but the present Minister of Defence opposed it.

Mr. McCAY.—It was quite a different proposal from that embodied in this Bill.

Mr. CROUCH.—That is so. It is for that reason that I feel that, although I supported the proposal put forward by the honorable member for Melbourne Ports for a Council of Defence, I cannot be charged with inconsistency in offering some opposition to the measure now before us. We have three lines of defence, but our Army still remains under our own control. The value of the Army depends first, on its fighting capacity, and secondly, upon its administrative organization. The Minister has attempted to supply the second essential to an army's success by introducing this measure, providing for a Council of Defence—of which the Inspector-General, the Chief of Staff, and other officers will be members—and also for a Naval Board and a Military Board. I understand that the amendment moved by the right honorable member for Swan to provide that the Inspector-General should be a member of the Military Board was withdrawn, and I certainly agree with the Minister that we require to have an independent critic outside the Board, and cer-

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tainly one who will not be called upon to criticise his own work. The difficulty which arises in regard to this Bill is one that has occurred in connexion with the forces of all the States. That is, a constant fight between the General Officer Commanding and the permanent head of the Department. We who have had experience of the military forces in Victoria know that that difficulty has existed in this State, and that the permanent head —that is, the Secretary of Defence—having the ear of the Minister, has usually been able to succeed. Now the struggle is to be shifted to a new set of combatants. We shall not only have the Inspector-General fighting for his own hand, and his own priority, but we shall have the Chief of the Staff and the permanent head doing the same. The Chief of Staff will have this great advantage over the Inspector-General, that he will be not only a member of the Council of Defence, but also of the Military Board, the natural consequence being that he will have two opportunities of getting his way, whereas the Inspector-General will have only one. The reason why, in 1903, I supported the proposal of the honorable member for Melbourne Ports was that, under his scheme, we should continue to have a Commander-in-Chief. The Minister could still have a Chief of Staff and an Inspector-General, in addition. Under whatever scheme we may adopt, there must be one man who will have the final word to say. In an autocratic body like an army there must be a head man, one supreme control. Otherwise the whole organization breaks down. If there is an organized body in the world, which is essentially autocratic in its character, it is an army. Therefore, I think that, as this scheme develops itself, we shall come back more or less to the old system, and that there will be some person—whatever we choose to call him—who will develop into a Commander-in-Chief, and virtually take the position which the Commander-in-Chief occupies at the present time. Of course, in framing this scheme, the Minister is looking largely to what has been done in England, in consequence of the reorganization of the Army, consequent upon the South African war. I believe that Mr. L. S. Amery is the author of a book upon the subject, *The Problem of the Army*, which will be found in the Library. He sketched out the lines on which, afterwards, the Military Board in England was appointed. Sir George Sydenham Clarke was, with Lord Esher and Admiral Fisher, made a member of that board. Upon this new system, the War Office is to be conducted in the future. But there are difficulties in connexion with the administration of the Army in England, that do not prevail in Australia. In England, there are five different authorities, whose transactions may lead the country into war. In Australia we have no such difficulty. Here our Army is small, and the area of possible combat is extremely limited, as compared with the enormous area over which the English War Office has to extend its authority.

Mr. McCAY.—Does the honorable and learned member say that those authorities in England have power to make war?

Mr. CROUCH.—They can exercise powers which may lead the country into war, but, of course, only the Crown can declare war. The five authorities are the War Office, the Admiralty, the Foreign Office, the Colonial Office, and the India Office. Any one of these authorities might bring about a state of war. But a far different condition of things exists in Australia. Here, if a mistake were made in our military affairs, it would not be so disastrous. But I think that we may be going upon wrong lines in abolishing the office of Commander-in-Chief, for several reasons, which I shall give. I may direct the attention of the Minister to an article written by the Honorable J. W. Fortescue, which is published in the *Nineteenth Century*.

Mr. McCAY.—I have read it; it is a very interesting article. But who is Mr. Fortescue?

Mr. CROUCH.—He is a constant writer on military affairs in English reviews. In this article he writes as follows:—

As the War Office itself, past experience seems to indicate pretty clearly the broad lines upon which reform should proceed. People talk vaguely of a Board, and point to the Admiralty, merely adding the words *mutatis mutandis*. But *mutatis mutandis* is in this case a large order; the army is not the navy; and a Board of to-morrow's creation must be a very different thing from an ancient body with the tradition of more than two centuries of imperious independence. First, then, is a Commander-in-Chief necessary to the army? History teaches most emphatically that he is. Whenever the army has been without such a Commander-in-Chief—whenever, that is, its military Government has been in the hands of other than a single military chief—its discipline has suffered severely; and an army without discipline is naught. The present time is no exception. There are too many symptoms of the spread of slack discipline in the army at this moment, symptoms which a student of our military history can trace directly to the degradation of the Commander-

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in-Chief's position, and to the encroachments upon his independence. We are reverting to the state of things to which the Duke of York, with infinite industry and labour, put an end a hundred years ago.

It has to be recognised that the system of controlling the British Army by means of a board, is no new experiment. It was being pursued in England about 120 years ago; but the Duke of York, the son of the reigning King, saw that the Army needed to have the administration of one vigorous mind, and in consequence, the system was changed. Mr. Fortescue goes on to say—

A Commander-in-Chief, then, there must be; but his title might, with advantage, be changed to that of Captain-General; and he should be the effective head of the military government of the army, and nothing more. As the senior officer of the army, he should have a seat in the Secretary of State's Council, of which presently; but he should not be the sole military adviser of the Secretary of State. His duties should consist in the maintenance of discipline and instruction, of expending the moneys allotted to him by the Secretary of State for current services of the army; and he should be responsible for keeping the army up to the strength fixed by the Cabinet for the maintenance of its military policy.

When the right honorable member for Swan was criticising the proposed new system the other day, he remarked that the Board proposed to be appointed was on similar lines to the Victorian Board of Railways Commissioners. But as a matter of practice, there is a supreme head of the Victorian railway system. Honorable members who know the Railways Commissioners Act, will remember that there are three Commissioners of whom one, Mr. Tait, is the superior officer, and the Chairman of the Board. As a matter of fact, Mr. Tait really has the governing voice in the direction of affairs. Although he has two colleagues, he is able, under the law, to override their decisions, and if that happens, all that they can do is to enter their protest in writing against what he proposes to do. In a large business concern like a railway system, just as in an autocratic organization like an army, there must be some one ruling and directing mind. That is what our army requires, and what the Victorian Railways have at the present time. This desire to have a board to control our Military Forces, rather than a Commander-in-Chief has, to a large extent, arisen in consequence of what occurred in South Africa. The revelations during that war were sufficient to make the English people come to the conclusion that it was necessary to have a change in the method of organization. Consequently, they reverted to the system which we see in operation in the Board of Admiralty. They thought that the Board of Admiralty afforded a type which should be followed in connexion with the administration of the army. But does the Minister of Defence propose that the members of his board shall be similarly placed? Is he aware that the members of the Board of Admiralty are officers on half-pay, and that they do not wear uniform, because they are regarded, while they occupy such positions, as civilians? Surely there is a divergence from the Board of Admiralty type in the scheme before the House.

Mr. McCay.—As to the power to wear uniform?

Mr. CROUCH.—No, as to the officers being on half-pay while they sit on the Board of Admiralty.

Mr. McCay.—The rate of pay does not affect their position.

Mr. CROUCH.—Does the Minister intend that the officers on the Military Board shall receive half-pay, and be dissociated from other military duties?

Mr. McCay.—Among their military duties will be that of sitting on the board.

Mr. CROUCH.—As a matter of practice, the Commander-in-Chief of the Army, under whatever name he is known, disguise his position as you like, must be a member of this new body, whatever the new body be called; there must be some one who will be paramount, and to whom the Minister can look as responsible for the Defence Forces.

Mr. McCay.—That is what the honorable and learned member desires, is it not?

Mr. CROUCH.—I regard it as necessary, and I desire what is necessary.

Mr. McCay.—If that is what is going to happen, what is the honorable and learned member complaining of?

Mr. CROUCH.—The Minister has stated that this Board will mean divided control. There will be the Chief of Staff, an Inspector-General, and two other officers.

Mr. McCay.—The Chief of Staff will not be the Chief of Staff over the Inspector-General.

Mr. CROUCH.—To the extent that a one-man authority is established, the present system will be continued, and this Bill will be non-effective. Admiral Sir M. Culme Seymour wrote an article in a recent number of the *Nineteenth Century*, in which he shows that, although the Admiralty Board nominally controls, the

members are really under the First Lord of the Admiralty. That article contains the following:—

When, in December, 1868, Mr. Gladstone became Prime Minister, Mr. Childers, who had in a previous Administration been Junior Civil Lord of the Admiralty, was appointed First Lord of the Admiralty, and knowing that he could not carry out Mr. Gladstone's economies with the Board, in January, 1869, procured an Order in Council which abolished the responsibility of the Board, and made the First Lord solely responsible to the King and Parliament, and the Naval Lords responsible only to the First Lord for whatever work he allotted to them to carry out, and this system has been continued to the present day. The machinery of the Board was retained, in case the First Lord wished to call them together to ask for their advice, which he can take or not as he thinks fit; but the Board, as a Board, are in no way directly responsible to the King and country. And the anomaly remains that, although they are appointed by Patent as Commissioners for executing the office of Lord High Admiral, they are prevented from doing so by the Order in Council referred to (January the 14th, 1869).

Referring to the War Office, the article proceeds—

How the organization I have sketched (purposely, briefly, and without details), would suit the War Office, it is for those who are more conversant with military matters than I am to judge. Personally, I feel sure that a Board on the lines of the present Admiralty, would not answer; the reason the Admiralty is more or less satisfactory at present is not because a civilian is solely responsible for its conduct, but owing to its old traditions, the extreme loyalty that pervades the Navy, and the fact that the procedure is carried on on much the same lines as previous to 1869, when the Board, and not the First Lord, was responsible. If the War Office is to be reorganized on the model of the Admiralty, it must be as the Admiralty was previous to 1869.

This and other articles are by experts of high rank in the Naval and Military Forces of Great Britain, and their opinions, deliberately given in the reviews, are worthy of consideration. Sir George T. Lambert contributed to the *Nineteenth Century* a criticism of Lord Esher's note, which was the basis of the final proposals of the War Office, now followed in the Bill before us. In that article it is stated—

The equality of authority and of responsibility is absolute, and equal deference is required to be paid to all. It has been the custom, however, to give precedence to the Lords Commissioners, according to the order in which their names stand in the Patent, and the first name is invariably that of the Cabinet Minister who is to represent the Cabinet at the Board, and the Board in the Cabinet. The position which he thus occupies as the representative of the Government makes the First Lord *facile princeps* among his colleagues at the Board, and as, of course, their chairman. Under the Patent he cannot overrule his colleagues, but, in the event of his differing from them, he has the Cabinet to fall back upon, and the decision of the Cabinet is, as in all matters, conclusive.

It seems to me, therefore, that the First Lord of the Admiralty is the one man responsible, while the others are allotted only certain duties, for the performance of which they are answerable to him, and not to the Cabinet directly. It was admitted by the Minister of Defence, in reply, I believe, to the honorable and learned member for Bendigo, that there must be a Commander-in-Chief in time of war, although an effort is being made to divide other duties amongst members of the Board.

Mr. McCAY.—"Admitted" by me! It was stated by me.

Mr. CROUCH.—If the Minister is so particular, I withdraw the word "admitted," and substitute "stated." It seems to be the desire of the Minister, according to the Bill, to divide the duties previously performed by the Commander-in-Chief in time of peace. In his speech the other day, the Minister said his first idea—I do not know whether he intends to give the matter further consideration—was that the Inspector-General should be the Commander-in-Chief in time of war.

Mr. McCAY.—I said that probably he would be the best man for the position.

Mr. CROUCH.—The Minister also said that the Inspector-General would not be responsible in time of peace for the executive command, would have nothing to do with the training of troops, and was to be changed every four years. I should like honorable members to consider the position in regard to the Inspector-General.

Mr. McCAY.—We have considered all that, and passed the Bill through Committee.

Mr. CROUCH.—And yet the Minister says that the Inspector-General is to be the Commander-in-Chief in time of war.

Mr. JOSEPH COOK.—The Inspector General need not, necessarily, be changed every four years.

Mr. CROUCH.—But that is a point on which the Minister is emphatic.

Mr. McCAY.—I am strongly of opinion that the Inspector-General ought to be changed every four years, but I do not propose that the change shall be legally compulsory.

Mr. JOSEPH COOK.—There is the possibility of re-appointment.

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Mr. CROUCH.—At any rate, it is the Minister's present idea that the Inspector-General should be changed every four years.

Mr. McCAY.—That will depend to a large extent on whether I am in office three or four years hence.

Mr. CROUCH.—At any rate, I take it that that is the present intention of the Minister; and to that I do not object. The Minister went even so far as to say that at the end of four years the Inspector-General would be capable of taking another command. When the Minister was speaking, the right honorable member for Swan interjected to the effect that unless the Inspector-General were an old man, he would not be content to finish his military career at the end of four years; and to this the Minister replied that the Inspector-General could go to some other work—that he did not see why such an officer should not undertake a State command, when he could be no longer Inspector-General. That is where we see the great defect of the scheme. The Inspector-General is not to be responsible for executive commands, nor for the training of troops and yet he is to take charge of those troops in time of war. That seems to me to be a fatal mistake; and experience will prove that such a scheme must break down in time of war.

Mr. JOSEPH COOK.—All that does not inhere in the scheme; those are only expressions of opinion on the part of the Minister as to what should be done. In time of war, the best man will be appointed.

Mr. CROUCH.—But the Minister says that the best man will be selected as Inspector-General, and the best man in time of peace should be leader in time of war. According to the Minister, the man who has to lead the troops in time of war, will have nothing to do with their training.

Mr. McCAY.—I did not say that the Inspector-General will have nothing to do with the training of the troops; what I said was that he will not have to do the training. The Inspector-General will have more to do with the training than any other man in the Commonwealth, because he will say how it has to be conducted. The honorable and learned member is cutting up my words as if they were pleadings in an action.

Mr. CROUCH.—Of course, if the Minister says that the Inspector-General will have to do with the training of the troops——

Mr. McCAY.—He will have to inspect, and report.

Mr. CROUCH.—I take it that the Minister's speech was deliberate, and I am not cutting up the words so as in any way to destroy the context. The Minister might be gracious enough to admit that in his opinion the Inspector-General will not have anything to do with the training of the troops.

Mr. McCAY.—I do not know what the honorable and learned member means by "not have anything to do with." The Inspector-General is not to do the training.

Mr. JOSEPH COOK.—The Inspector-General is not to act the part of a sergeant-major.

Mr. McCAY.—Or the part of a company captain, a lieutenant-colonel, or even of a State commandant.

Mr. CROUCH.—Or of a brigadier-general. But he is to act the part of a general critic, and what Australian soldiers want is less criticism and more leadership. It is said that the Inspector-General should be the best man; but to make this scheme work we ought to have a series of best men.

Mr. McCAY.—He may not be the best man four years hence.

Mr. CROUCH.—Quite so, and then this "best man" of to-day, as a young man still, will, according to the answer given to the right honorable member for Swan, have to take a State command under some other man who at the present time is second or third "best man."

Mr. JOSEPH COOK.—It would be more sensible to then send the Inspector-General home for a trip.

Mr. McCAY.—Many things may then be done with the Inspector-General.

Mr. CROUCH.—No doubt, a lot may be done in four years. Of course, if the Minister is going to abandon his proposals——

Mr. McCAY.—I do not abandon anything, except the hope of the honorable and learned member finishing soon.

Mr. CROUCH. — The Minister can abandon all hope in that direction; I have a lot more to say. The Minister of Defence has put forward a scheme, and as soon as it is touched, he says, "If it does not suit, we can alter it." I do not mean to say that all those defects I have pointed out are in the Bill.

Mr. McCAY.—Alleged defects.

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Mr. CROUCH.—The Bill only provides a skeleton scheme, the details of which may be filled in afterwards; that is the Minister has said in effect, that the details need not be adhered to definitely. I want honorable members to see that if the Minister devises any other use for the Inspector-General, or any other way of abolishing the Commandership-in-Chief, his present proposal will have to be amended, and we shall then arrive at the one man who must be responsible. The scheme of having an Inspector-General who is to be changed every four years, will give rise to an extraordinary position. Throughout the debate there seems to have been a feeling that there is too much centralization in the Military Forces, but personally I think we should have more; and on this point I should like honorable members to listen to one or two figures. This might perhaps be thought a matter more for discussion on the Estimates, but I should like to lay the figures before the House, in order that it may be seen how many staffs we are maintaining. When Major-General Sir Edward Hutton left the Commonwealth, we had a Commandant in New South Wales, Victoria, Queensland, South Australia, Western Australia, and Tasmania. We have now an Acting Commandant for the Commonwealth —that is, seven Commandants in Australia —four Assistant Adjutants-General, three Deputy Assistant Quartermasters-General, seven Deputy Assistant Adjutants-General, two senior clerks, and forty-one military clerks. In other words, we have in the Commonwealth seven Commandants at a cost of £7,100, four Assistant Adjutants-General at a cost of £2,425, three Deputy Assistant Quartermasters-General at a cost of £1,600, seven Deputy Assistant Adjutants-General at a cost of £3,090, two senior clerks at a cost of £635, and forty-one military clerks at a cost of £6,666. We also have an Assistant Adjutant-General for Artillery, a Principal Medical Officer, an A.D.C., and a Secretary to the General Officer Commanding. The fact is that we need more, not less, centralization in connexion with the organization of the Military Forces. We ought to abolish the States staffs.

Mr. McCAY.—And States Commandants?

Mr. CROUCH.—Yes, because one-half of the forty-three military clerks who are employed in receiving, docketing, forwarding, and recommending things, are merely conduit pipes between the central office and the persons whose correspondence they deal with. Supposing that a sergeant in Queensland wishes to communicate with the Minister. The sergeant writes to his captain, the captain writes to the colonel of the regiment, the colonel writes to the State Commandant's staff officer, the State Commandant writes to the Chief Staff Officer, the Chief Staff Officer then obtains the recommendation of the General Officer Commanding, and then it goes to the Minister. What the Minister does is to set in motion the same machinery, only by the reverse process. Every one of these persons has to note his minute and forward it, perhaps putting a recommendation on it. Eight or nine men are employed in sending the letter from the sergeant to the Minister, and eight or nine men are employed in sending the Minister's answer to the sergeant.

Mr. McCAY. — Can the honorable and learned member suggest how a matter of that kind can be otherwise dealt with? I am anxious to save circumlocution.

Mr. CROUCH. — If the Minister will wait I shall answer his question. I would abolish the States staffs and work through Head-Quarters. In each State I would allow one man—who might be the senior man, and who would be available for functions, and so on—to have charge of the whole of a similar arm throughout the Commonwealth. Supposing, for example, that Colonel Price were in charge of the Australian Light Horse. If he were in Queensland he would have to deal with the whole of the Australian Light Horse for the Commonwealth. In the same way, I should have an officer in South Australia to look after the whole of the infantry for the Commonwealth, an officer in New South Wales to look after the whole of the artillery for the Commonwealth, and an officer in Tasmania to look after the whole of the military miners. By that method we should be able to abolish the whole of the States staffs.

Mr. McCAY.—Would not each man require a staff?

Mr. CROUCH.—It could be done with very much less assistance than at present.

Mr. McCAY.—The honorable and learned member is wrong there.

Mr. CROUCH. — The Minister must know that it would be impossible for a man's letter to reach the Minister except as I have stated. I am asked to say how the circumlocution could be saved. It could be

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saved by having in each State capital one man to look after the whole of that arm throughout the Commonwealth.

Mr. McCAY.—Will the honorable and learned member give his chain from the sergeant to the Minister?

Mr. CROUCH. — I should allow the colonel to write straight to the Commandant. I should allow no State Commandant to interfere with the right of the officer in charge of a brigade or regiment to approach, as he finally has to do, the General Officer Commanding, or afterwards the Minister.

Mr. McCAY.—That is one step saved out of nine or ten.

Mr. CROUCH.—Yes; and the salaries of six Commandants and six secretaries are also saved.

Mr. McCAY. — But the honorable and learned member would have six departmental commanders instead.

Mr. CROUCH.—It means that the work of seven Commandants, four Assistant Adjutants-General, three Deputy Assistant Quartermasters-General, and seven Deputy Assistant Adjutants-General could all be done by six men.

Mr. McCAY.—No; they would each want a staff. How could a Light Horse man in Sydney command the Light Horse in Western Australia without a staff?

Mr. FOWLER.—Does the Minister propose to re-open this question?

Mr. McCAY.—No.

Mr. FOWLER.—Well, it looks as if the honorable and learned gentleman does.

Mr. McCAY.—It is part of my duty to listen to the speaker.

Mr. FOWLER.—The House has practically affirmed that the Bill shall be passed.

Mr. McCAY.—I cannot stop the honorable and learned member's speech.

Mr. CROUCH.—No; it will be too valuable for future reference. The Kalgoorlie Bill must wait. The Minister continues to recognise a Commandant and a staff in each State. In order to get the proper economy which was promised prior to Federation, we should have a recognition in the Defence Department that the Commonwealth is in existence. We are really keeping up each State system which the people, when they voted for the Commonwealth Constitution Bill, expected to be wiped out, to a large extent, as a separate system. We need unification in our methods in Federal affairs. The only advantage which has been gained in this Department has been the appointment of one Minister in place of six Ministers. In the same way we might have one Commandant instead of seven Commandants. It should be recognised that we have an Australian service and not six States services. I trust that the Minister will do his best to bring about that reform. The duty of the Chief of Staff, under this Bill, I consider, will be to prepare the schemes of defence and intelligence. The duty of a Commander-in-Chief in war is to possess a complete and detailed knowledge of the schemes of defence and intelligence, and the larger tactics, and to put them into execution. The Chief of Staff is the man who prepares the schemes of defence; but under this Bill the Inspector-General, who will have nothing to do with the training of troops, and who will be a mere critic, like a company's inspecting auditor, will take charge in time of war. I do not think it is possible at any time to work a military force by means of a Committee. In connexion with the Russian and Japanese war, a proposal was lately made in Russia to create a second army, under General Gripenberg, while General Kuropatkin, the present Commandant, was to retain charge of the first army. But all the military experts in Europe pointed out that such a plan would only lead to disaster. They urged that it meant that two men would have control instead of one. That proposal is very much like the Minister's scheme of a Committee to guide and control the Defence Force. On the 28th September the London *Standard* published the following criticism of the proposal which had appeared in the Vienna *Fremdenblatt*:—

> Now that a second man has been co-ordinated with General Kuropatkin, the old military rule must be cited that two good leaders at the head of an army are worse than one inferior leader. Largely as the present arrangement contributed towards bringing about the disasters of the past, the new one is likely to lead to nothing but new defeats.

The critics recognise that with apparently the Minister does not recognise, namely, that an army cannot be carried on by a Committee, that it must be in control of one man, who will be resposible for everything. The Minister said that, under his scheme, the Cabinet is to finally control, and I noticed that the House approved of his remark. That really means that the Minister is to finally control.

Sir JOHN FORREST.—He will be practically the Commander-in-Chief.

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Mr. CROUCH.—Yes; there is no doubt that in these matters the Cabinet will take the opinion of the Minister of Defence. This really means that the Secretary of Defence, as the permanent head of the Defence Department, will control the forces in the future, as he has done in the past. I do not say that that control has not been to a certain extent beneficial. But there is no doubt that when a struggle arises between the Chief of Staff and the Permanent Head, and the Inspector-General, as to who is to control the forces, there will be a return to the present system. If the Minister, through the Cabinet, is to control, it means that the Secretary for Defence will have the largest, because the final, say. There is nothing more dangerous in an army than to have political control. It was only when Lincoln and the men in charge of the Civil Department at Washington ceased to try to control matters in connexion with military operations from which they were so far distant, that General Grant was able to succeed in his efforts against the secessionists. For that reason attempts have been made in the past to give the English Commander-in-Chief a place in the Cabinet. They do that on the Continent, where they are largely autocratic in their military ideas, and where there is generally a member of the Royal family who has acted as Commander-in-Chief. The English Constitution and the Australian Constitutions, however, have found it difficult to graft an autocratic department on to a democratic system. In spite of the proposed new organization, the Minister of Defence will continue to control matters as he does now. I have tried to show that the Council of Defence will not fulfil the intentions of its author. To the extent that it endeavours to do the work which the Minister intends it to do, it will fail. As a council of control it will be a failure. If the Minister had followed the lines proposed in 1903, which he then so strongly opposed, and had provided only for a council of advice, he would have provided a useful body. I wish now to discuss the assumption of the Minister that it is necessary to import an Inspector of Ordnance from England. If we do import such an officer, he should be the best man obtainable. The London *Times*, however, has described the English Army as the most costly and the least efficient which the mind of man can conceive, and those of us who have had experience of the organization scheme recently put forward know that we have done no good by bringing out English officers, and would have been better off had we depended on Australian soldiers to do Australian work. That has been finally admitted by the late General Officer Commanding, though the idea was at first repudiated by him. In a public speech made about a week before he left Australia, he said that he could see that Australian troops would be best led by Australian officers, or by officers in sympathy with Australia.

Mr. SALMON.—I think that what he said was that he recognised that Australian troops desired to be commanded by Australian officers; but he has on several occasions stated that in his opinion there is no Australian officer who is fitted for the command.

Mr. CROUCH.—A man cannot prove his ability until he is given an opportunity to act. If young men know that the highest positions in the service will not be open to them, even though they may possess the ability requisite to efficiently discharge the duties pertaining to them, they will not adopt the military profession. We have trained some of the best medical men to be found anywhere in the world, men who when they went to South Africa showed that they knew as much about medical science as did the eminent surgeons from other parts of the Empire. Similarly we have trained our own Judges, who I think will be acknowledged to be good lawyers, and it seems to me a pity that we do not give Australians an opportunity to show what they could do in military matters. Until Australians are promoted to the highest positions, we shall never have Australian officers able to take command. If the scheme we are now discussing were to be worked by Australian officers, it would have a better chance of succeeding than it will otherwise have.

Mr. MCCAY.—I have said that I do not think it will be necessary to bring more than one officer from abroad, but if the honorable and learned member can tell me of an Australian officer, who, in his opinion, is capable of carrying out the duties of a Chief of Ordnance, and on inquiry he proves a suitable man, I will not look further.

Mr. CROUCH.—I would make such officers capable, by failure, as most men learn by experience and by defeat. The only way

to see what our men can do in certain positions is to appoint them to those positions. I will give the Minister privately the name of an officer who, I think, is suitable for the position to which he has referred. We shall never have a complete organization till every position in the service is open to men who have risen from the ranks.

Mr. McCAY.—The honorable and learned member speaks as though I am preventing men from rising from the ranks.

Mr. CROUCH.—The Act provides that men may rise from the ranks, but, in point of fact, attempts are made to prevent that happening. In other professions, the ablest men have sometimes risen from the poorest beginnings. A man may have a good social or monetary position, and yet not possess high professional attainments. If the Minister says that there is a paucity of Australian officers for these positions——

Mr. McCAY.—I have not said that.

Mr. CROUCH.—At any rate, the honorable and learned gentleman assumes that he has not an officer capable of filling one position, and the Acting General Officer Commanding is not an Australian.

Mr. McCAY.—I have not said that.

Mr. CROUCH.—If we have not capable officers, it is because we have not given sufficient opportunities for men to rise from the ranks. If, in the future, we do that, it may be possible when another organization scheme is proposed, to appoint such a man to the position of Commander-in-Chief. If it be necessary that we should secure from abroad an officer to act as Chief of Ordnance, we should endeavour to obtain the very best man in the world.

Mr. WILKS.—Does the honorable and learned member think he would come?

Mr. CROUCH.—At any rate, we should offer him the position. I should not necessarily select an English officer, as the London *Times* has pointed out that the English Army has shown itself to be the most inefficient and costly the mind of man could conceive.

Mr. SALMON.—It is costly because the men are paid at a decent rate.

Mr. KELLY.—Would the honorable and learned member select a Japanese?

Mr. CROUCH.—The Japanese have given ample proof of their adaptability, and of their readiness to follow the best methods adopted by other nations. They found that the English naval officers were the best to train their seamen, and their recent successes upon the water were largely due to the sound instruction they received. German instructors, who are regarded as the most expert in military work, were employed to train and lead their land forces. In matters of finance, they enlisted the services of Frenchmen, and in other Departments of the public service they sought the assistance of Belgians. Now they have shown their ability to train and lead their own men. We should obtain the best man, regardless of cost and of the nation to which he may belong, whether he be an American, a Canadian, a Frenchman, or a German.

Mr. McCAY.—I can assure the honorable and learned member that we do not intend to employ any one who does not belong to the Forces somewhere in the Imperial dominions.

Mr. CROUCH.—I should like to remind the Minister, who is showing a disposition to slavishly adhere to the methods of the Imperial Forces, that the British authorities were not above permitting a German to take charge of one of their most important Departments. I refer to Prince Louis of Battenberg.

Mr. McCAY.—Is he not a British subject?

Mr. CROUCH.—He was not a British subject at the time he came over to England.

Mr. FOWLER.—He was a British subject at the time he received his appointment.

Mr. CROUCH.—I assume that the Chief of Ordnance, if he were a foreigner, would become naturalized. If that is all the Minister demands, I have no objection to urge to such a condition.

Mr. McCAY.—What is the use of talking like this upon the motion for the third reading of the Bill?

Mr. CROUCH.—Since the Minister has assumed office, he has become so intensely sensitive that no one can say a word without causing him to bristle up. I trust that he will exercise a little more patience, even though there may be a prospect of his scheme being delayed.

Sir JOHN QUICK.—It is the scheme of the Labour Party.

Mr. CROUCH.—I do not care whether it is the scheme of the Labour Party or of any one else; I do not think it is a good one. I am dealing with this matter in a non-party spirit, and I intend to speak quite freely.

Mr. JOSEPH COOK.—This is all too late.

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Mr. CROUCH.—It is not too late. This is not only a criticism, but a prophecy. Perhaps my remarks will prove effective in another place, and probably some honorable members, including the Minister, will again change their minds. Last year the Minister was opposed to the proposal of the honorable member for Melbourne Ports, which was upon rather similar lines to that embodied in the Bill.

Mr. McCAY.—The honorable and learned member is quite wrong. This proposal is entirely different.

Mr. CROUCH.—The Minister admitted that he had changed his mind.

Mr. McCAY.—I did not admit anything of the kind.

Mr. CROUCH.—I am not going to trouble the House by reading what the Minister did say; but he opened his speech with a statement that he had changed his mind. I have no doubt that in twelve months' time the Minister will realize that this scheme is unworkable, except under a Commander-in-Chief. I can foresee that under the system proposed there will be a constant struggle for supremacy between the Chief Staff Officer and the Inspector-General—a struggle compared with which the differences which have existed between the Ministerial Head of the Department and the Military Commandant will be as nothing. I maintain that we cannot have a military organization without a definite autocratic head, and any attempt to work the Military Forces by means of a Committee will certainly lead to disaster. I trust that my remarks will carry some weight in another place.

Mr. FOWLER.—All the members of the Senate will read them.

Mr. CROUCH.—Even if they do not, the fact will at least be placed upon record that one protest was entered against the passing of this measure.

Mr. HUME COOK (Bourke).—I should like to obtain a little information from the Minister in regard to the constitution of the Council of Defence. When this matter was under consideration upon a former occasion, I emphasized the fact that the proposed representation of the Naval Forces was not nearly so great as that of the Military Forces. I then endeavoured to obtain from the Minister some statement which would make the position clearer. By way of interjection, he said that due representation would be given to the Naval Forces upon the proposed Council of Defence. That may mean something, or it may mean nothing. I should be glad to know definitely the extent to which our Naval Forces are to be represented, because if the naval members of this important body are to be out-voted by the military members no adequate expression will be given to the need which exists for devoting more attention to naval matters. I feel very strongly upon this question, because it appears to me that we are subordinating the very first line of our defence to the least effective line. Upon a previous occasion I asserted that an attempt had been made to build up the Military Forces of Australia, not so much for the defence of our own territory, as for service abroad. Thereupon I was informed that there was no justification for my statement. I affirmed that the building up of our Light Horse regiments was not in accord with the true policy of Australian defence, and that the General Officer Commanding really intended those regiments for service abroad, rather than here in Australia. I now propose to show from an authoritative source that there was some warrant for my declaration. In a paper which was presented to Parliament two years ago, I find that Major-General Sir Edward Hutton deals with what he terms "the two factors" in connexion with Australian defence. He says—

Two factors, therefore, may be considered as governing the future organization and administration of the Military Forces of the Commonwealth, namely :—

(*a*) The defence of Australian soil.
(*b*) The defence of Australian interests wherever they may be threatened.

(*a*) "For the defence of Australian soil" there are two essentials, namely, garrison troops, hereafter styled the Garrison Force, for the protection of certain pre-determined strategical centres and places of commercial importance; and field troops, hereinafter styled the Field Force, for those active operations which are, as has been shown, an essential element in conjunction with the Garrison Troops for the defence of such an extended area as Australia. It is not necessary that the troops for garrison duty, as a whole, should be mobile, but it is absolutely essential that the field troops be, not only well trained, carefully organized, and well equipped, but also ready for active operations in the field at the shortest notice.

The next point, however, is that to which I desire to direct particular attention, as affording full justification for the remarks which I made upon a former occasion—

(*b*) "For the defence of Australian interests wherever they may be threatened," it will be

obvious that the first essential is the sea supremacy which is guaranteed by the Royal Navy, and that the second is the possession of a Field Force capable of undertaking military operations in whatever part of the world it may be desired by Australia to employ them.

It is not for active operations in "any part of the world" that we require our men to train; but for effective local service. In permitting the present arrangements to continue, I hold that we are pursuing a wrong course, and, further, that unless adequate representation be given to our Naval Forces upon the proposed Council of Defence, we shall be making an irreparable mistake.

Mr. McCAY.—I do not think that I can give the honorable member for Bourke any more information than I have already afforded him. Naval defence will be adequately represented on the Council by those whose interests and knowledge are specially connected with the Naval Forces; but I would not undertake to set down a definite numerical relation between the number on the Council, who are specially familiar with military matters, and the number who are specially familiar with naval defence. I can only say that I shall see, so far as my power goes, that we have in the Council a body that will be able to consider the whole question of Australian defence, in regard to both its naval and military aspects. After all, these are only two branches of the one great question.

Question resolved in the affirmative.

Bill read a third time.

ADJOURNMENT.

Coaling of War-Ships.

Motion (by Mr. McLean) proposed—

That the House do now adjourn.

Mr. HUGHES (West Sydney).—I desire to bring under the notice of the Government a matter similar to that which has already been mentioned by the honorable member for Fremantle, in regard to the coaling of the war-ship *Euryalus*, at Fremantle. I refer to the fact that one of the vessels of the squadron, the *Challenger*, was recently coaled in the port of Melbourne by her crew, although it has been the invariable practice to coal these vessels by means of shore labour. I wish to ask the Prime Minister whether he can see his way to make representations to the Vice-Admiral as to the custom which has hitherto prevailed, and suggest that so far as possible it is desirable that it should be continued. I have been requested by members of the union with which I am connected, to bring this case forward. Those who follow this avocation felt the matter very keenly. There is no particular reason why at this juncture there should be any departure from the usual practice. If it is considered desirable to teach sailors how to coal at sea, it is singular that this should not have been done before, and those to whom this work usually falls are at a loss to know why the usual course should not have been followed on the occasion to which I refer.

Mr. REID (East Sydney—Minister of External Affairs).—It is quite correct to state that this matter has been brought under my notice on two occasions by the honorable member for Fremantle. Although I have no possible concern in the matter—although the question as to whether war-ships are coaled by their own crews, or by shore labour, is a matter which is absolutely within the discretion and control of the Vice-Admiral—as a matter of courtesy, I suggested to the honorable member a day or two ago that he should address a letter to me on the subject, and said that I would not hesitate to forward it to the Vice-Admiral.

Mr. Hughes.—That was in regard to the coaling of another vessel.

Mr. REID.—The honorable member has shown me a draft of his letter, and it covers the question generally. I intend to send the letter on to the Vice-Admiral, but in doing so, I shall disclaim the slightest desire to be a party to any interference with that which is within his undoubted province. If I receive a reply, I shall certainly forward it to the honorable member for Fremantle for the information of the men concerned.

Question resolved in the affirmative.

House adjourned at 3.53 p.m.

House of Representatives.

Tuesday, 29 November, 1904.

Mr. Speaker took the chair at 2.30 p.m., and read prayers.

APPROPRIATION (WORKS AND BUILDINGS) BILL.

Assent reported.

PETITION.

Mr. LEE presented a petition from the Archbishop of Sydney praying the House

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to insert in the Papua Bill a clause prohibiting the importation and sale of intoxicating drinks for beverage purposes into New Guinea.

Petition received and read.

ELECTORAL ADMINISTRATION.

Mr. SPENCE.—I desire to ask the Minister of Home Affairs whether he has arrived at any decision with regard to the holding of Revision Courts prior to arranging for a redistribution of seats?

Mr. DUGALD THOMSON. — I have already expressed my desire that where expenditure, as in connexion with the matter referred to by the honorable member, is likely to be considerable, every effort should be made to prevent it from becoming excessive. When the matter of holding Revision Courts was recently debated, a number of honorable members expressed the view that a redistribution scheme could not be accepted, unless the new rolls were printed, whilst some honorable members appeared to think that revised rolls were necessary. I regard a redistribution of seats as vital, and as, if the position indicated were maintained by honorable members, the expense of holding Revision Courts and reprinting the rolls would have to be incurred sooner or later I have since been considering whether the desires of honorable members can be met, at a reduced cost. I have not yet finally considered the matter; but I shall be able, in the course of a day or two, to inform the House of the determination arrived at.

NEW HEBRIDES.

Mr. HUME COOK.—I wish to ask the Prime Minister a question respecting the New Hebrides. From statements published in this morning's newspapers it would appear that the Government have made representations to the Imperial authorities with regard to promoting settlement in the New Hebrides, and increasing trading facilities between Australia and those islands, and that, as a result, some action has been taken. I wish to know whether the Prime Minister has any information beyond that published in the press.

Mr. REID.—As the honorable member must know, the difficulties in the New Hebrides fall more particularly within the sphere of diplomacy between the Governments of Great Britain and France. So far as the Australian Governments are concerned—and I speak for all those which have held office since Federation was established—there has been a uniform desire to bring the utmost possible pressure to bear upon the Imperial Government to alleviate the most unsatisfactory conditions which undoubtedly prevail in this group of the South Sea Islands. I am sorry to say that we have not yet received any definite or satisfactory information on the subject. The difficulty which seems to be experienced by the two Governments is evidenced by the fact that although they have been able to satisfactorily settle all the old and almost inveterate disputes which have existed for the last two or three hundred years between the two Powers, they have not, in reference to this particular question, been fortunate enough to arrive at a similar agreement. A mutual arrangement has, however, been made that one of the most serious troubles, namely, that with reference to the tenure of land in the New Hebrides, shall be dealt with by a joint Commission. We have been pressing upon the Imperial Government the very great importance of that matter also, expressing the earnest desire that the Commission should be appointed with the least possible delay, and we have received information through the Governor-General, from the Secretary of State for the Colonies, which satisfies us that the Imperial Government are using every possible effort to bring about the early establishment of that Court of Inquiry.

SITE FOR MILITARY BARRACKS, SYDNEY.

Mr. KELLY.—I desire to ask the Minister of Defence whether he is aware that a Bill intituled the Centennial Park Sale Act 1904, has lately been passed through the Legislative Assembly of New South Wales, and will be submitted for the concurrence of the Legislative Council to-day, and that the area proposed to be sold under the authority of this Bill includes the alternative barrack site called the Centennial Park site, regarding which the Commonwealth Government has been in communication with the Government of New South Wales. If so, will he take immediate steps to ask the Premier of New South Wales to insure that the passing of the Bill shall not prevent the Commonwealth from at any future time taking over the proposed site in lieu of that now occupied by the Victoria Barracks?

Mr. McCAY.—Until the honorable member informed me of the fact I was not aware that the Bill to which he referred

affected the question of the alternative site proposed for the Victoria Barracks in Sydney. But now that my attention has been drawn to the matter, I shall ask the Prime Minister to communicate with the Premier of New South Wales to-day, and endeavour to arrange to have the matter stayed for a sufficient time to allow of the completion of the investigations now proceeding on behalf of the Defence Department with reference to the acquisition of the Park site in lieu of that at present occupied.

PAPER.

Mr. REID laid upon the table the following paper:—

Banking returns of the various States of the Commonwealth and of New Zealand for the years 1901, 1902, and 1903.

MOUNT GAMBIER POST-OFFICE.

Sir LANGDON BONYTHON.—I desire to know from the Minister of Home Affairs when tenders will be called for the proposed additions to the post-office at Mount Gambier?

Mr. DUGALD THOMSON. — Plans for the proposed additions have been adopted, after reconsideration, caused by certain objections raised to the first proposal. Instructions have been given that tenders shall be called at the earliest possible moment, and as soon as the specifications are ready that course will be adopted.

FOREIGN TENDERERS: EXEMPTION FROM DUTY.

Mr. FISHER asked the Postmaster-General, *upon notice*—

Is he yet in a position to inform this House whether it is correct, as stated by the honorable member for Wannon (Mr. Robinson), that successful tenderers not resident in Australia have not to pay Customs duties on goods used in carrying out their contracts, while duty is paid on the goods used in a like manner by Australian successful tenderers for Commonwealth contracts?

Mr. SYDNEY SMITH.—The answer to the honorable member's question is as follows:—

The Postmaster-General has now received replies from all the States respecting this matter, and proposes to have a statement prepared dealing with the whole subject, which he will cause to be laid on the table for the information of honorable members.

TARIFF COMMISSION.

Mr. GROOM.—On behalf of the honorable and learned member for Indi, I would ask that the following question, standing in his name, be postponed until to-morrow:—

1. What further steps he has taken towards the appointment of the Royal Commission on the Tariff?
2. Is it the intention of the Government to make the appointment a sufficient time before the end of the session, to afford this House the opportunity, if it so desires, of expressing its opinion with regard to the *personnel* and scope of the Commission?

Mr. REID.—I should like to mention that I am in a position to give the House some information with reference to the question, and I should not wish to defer my statement until to-morrow, merely because of the absence of the honorable and learned member for Indi.

Mr. GROOM.—The honorable and learned member desires that the question be postponed.

Mr. SPEAKER.—I would suggest that the questions upon notice should be proceeded with in the ordinary way. If, when the questions have been disposed of, the Prime Minister desires to make a statement of the nature he has indicated, I am sure that honorable members will be pleased to listen to him.

PATENT OFFICE PUBLICATIONS.

Mr. DEAKIN.—In asking the Minister of Trade and Customs, *upon notice*—

What publications are proposed to be published by the Patent Office, and when, at what prices and intervals, and with what contents?

I need not remind him that in the United States of America, which has the model patent office in the world, the publications are manifold, frequent, and extremely cheap. We need not look further than the neighbouring colony of New Zealand, where two sets of publications can be obtained at the small cost of 10s. annually. If the Commonwealth Patent Office is to fulfil its purpose, information regarding the procedure from time to time in regard to new applications and patents granted should be easily accessible all over Australia. Under these circumstances, I venture to press the question.

Mr. McLEAN.—I have received the following reply from the Patents Office:—

It is the intention to publish, for the information of the public and inventors, full and complete information relating to proceedings in the Patent Office. The first work to be produced will be a Concordance Index of Inventions patented in the States. This is in itself a work of very considerable magnitude, and will take some time to execute. The subject-matter indexes, when taken over, were in a very faulty condition,

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a fact well known—see Mr. Deakin's statements relating thereto in *Hansard*, pages 5507 and 5508—and for a period of several years in some States existed in manuscript only. Details of prices, intervals, and contents of publications cannot be definitely stated at present. As the cost of printing will be very heavy, it is considered necessary that, with a view to avoid undue expense, the matter for printing should be carefully prepared in the first instance.

SERGEANT J. F. SIMMONS.

Mr. CROUCH asked the Prime Minister, *upon notice*—

In reference to the letter of Sergeant J. F. Simmons, late 3rd N.S.W. Mounted Rifles, who fought to save South Africa for the British rule in the recent war, in the London *Daily Chronicle* of the 19th October—

1. Will he inquire from the Governments of Natal and Cape Colony why this Australian soldier was refused a landing at Durban and Capetown?
2. Is it true that these South African colonies refuse to allow Australian white men to land unless they have £20 in their possession?
3. Will he protest, on behalf of all Australians, against the continued existence of a law which permits pauper Chinese to be received into those colonies, but will not allow Australians under no contract, and of good character, to land?

Mr. REID.—The answers to the honorable member's questions are as follow:—

No complaint has been made to me on behalf of the gentleman named, nor have I seen the letter which the honorable gentleman says was published in the London *Daily Chronicle* of the 19th ultimo. I think, under the circumstances, I can scarcely be expected to take the action suggested by questions 1 and 3.

As to 2, I am not aware; but I do happen to know that the laws of the Cape Colony specially exempt from the immigration restrictions persons who have served in any of His Majesty's Volunteer Forces in South Africa who have received good discharges.

PROSECUTION OF FISH IMPORTERS.

Mr. TUDOR asked the Minister of Trade and Customs, *upon notice*—

Whether it is proposed to prosecute certain fish importers of Melbourne for evading the payment of the duty on New Zealand fish?

Mr. McLEAN.—Yes.

OVERSEA MAILS.

Mr. KNOX asked the Postmaster-General, *upon notice*—

If, in view of his announcement that he has been unable to enter into any contracts with the present oversea mail companies, he will direct that, so soon as the new poundage arrangements are resorted to, the dates of arrival of mails in London will be regularly published, in order that the time occupied in their conveyance may be publicly known?

Mr. SYDNEY SMITH.—The answer to the honorable member's question is as follows:—

Under an existing arrangement, the date of the arrival of mails in London is telegraphed to each State, and is available for publication. This will be extended tc the arrival of any mails sent to London under a poundage system, and the dates of the arrival will be furnished to the newspapers.

COMMONWEALTH COINAGE.

Mr. BAMFORD asked the Prime Minister, *upon notice*—

1. Whether a statement appearing in the *Argus* of the 25th inst., to the effect that an arrangement has been made under which seignorage will be paid upon silver coined in the London Mint for Australian circulation, is correct?
2. If correct, will the Prime Minister inform the House as to what are the terms and conditions of the arrangement as to—
   (*a*) Cost of minting;
   (*b*) Making good the depreciation occasioned by wear and tear;
   (*c*) Whether seignorage will be paid as a lump sum per annum, a fixed percentage on the amount coined, or, if not, in what manner will it be paid?
3. Has any arrangement been entered into as to the depreciation on gold coined in Australian Mints?
4. If so, does such arrangement include all gold coined in Australia, or only upon such average amount as circulates within the Commonwealth?
5. Will the Prime Minister lay upon the table of the House all correspondence, reports, and other papers relating to this matter?

Mr. REID.—The answers to the honorable member's questions are as follow:—

1 and 2. The British Government agrees to coin the silver required by the Commonwealth, and charge for the coins supplied the actual cost thereof instead of the face value as at present. The expense of making good the depreciation occasioned by the wear and tear of the coin so issued will be borne by the Commonwealth.

3 and 4. The Commonwealth is to bear the expense of replacing all worn gold coins of future issues by Australian mints.

Mr. WATSON.—Wherever they are used?

Mr. REID.—I am afraid it would be impossible to differentiate between the Australian coins which are, and those which are not, used in Australia, as they travel all round the world. It is very difficult to draw a distinction of that sort. I may say, however, that the arrangement to which the Imperial Government have agreed will result in a considerable profit to the Commonwealth; because, instead of charging Australia the face value of the silver coins as has been the case heretofore, they will debit us with the actual cost only. As honorable members are aware, the difference between the face value of silver and its actual value

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is very considerable, and under this arrangement, the Commonwealth will receive the benefit of that difference. The reply to question No. 5 is—

All correspondence, reports, and other papers relating to this matter will be laid on the Library table.

ORDER OF BUSINESS. TARIFF COMMISSION.

Mr. WATSON.—I desire to ask the Prime Minister whether he will state in what order the Government propose to proceed with the public business.

Mr. REID.—Perhaps I may be allowed to take advantage of this opportunity to make a statement to the House. As honorable members are aware, great anxiety has been exhibited in some quarters regarding the appointment of the Tariff Commission. I wish to say that the Government, so far from desiring to make those appointments during the recess, have been devoting their special attention to the subject, and I am very sanguine that I shall be able to make an announcement to the House as to the *personnel* of the Commission upon Tuesday next. That announcement will probably take the form of a *Gazette*, published upon that date. In reply to the question of the leader of the Opposition, I do not wish to obstruct the very important business which we shall enter upon today in reference to the Conciliation and Arbitration Bill, but my attention has been called by the representative of the Government in the Senate to the fact that that Chamber does not desire to suffer from any lack of work. I think honorable members will admit that it has undergone that experience too frequently during the current session, and I should, therefore, be very glad if the House would co-operate with the Government in an attempt to avoid its repetition, by allowing me, first, to state our attitude in Committee in reference to the Senate's amendments upon the Conciliation and Arbitration Bill. Time could then be afforded honorable members to consider my statement, and the discussion of the measure could be resumed to-morrow. In the interval, we might arrange to send the Papua Bill to the Senate. The last stage in the consideration of that measure has now been reached, the only proposal remaining to be dealt with being the new clause submitted by the honorable member for Melbourne Ports. I should very much like to forward that Bill to the Senate, and — if we have time to finish it — the Kalgoorlie to Port Augusta Railway Survey Bill. We could then resume the discussion upon the Conciliation and Arbitration Bill to-morrow, and continue its consideration until it is disposed of.

Mr. McDONALD.—Why, that will occupy six weeks.

Mr. REID.—Oh, no.

CONCILIATION AND ARBITRATION BILL.

In Committee (Consideration of Senate's amendments):

Clause 4—

"Industrial dispute" means a dispute in relation to industrial matters—

(*a*) arising between an employer or an organization of employers on the one part and an organization of employees on the other part, or

(*b*) certified by the Registrar as proper in the public interest to be dealt with by the Court—

and extending beyond the limits of any one State, including disputes in relation to employment upon State railways, or to employment in industries carried on by or under the control of the Commonwealth or a State or any public authority constituted under the Commonwealth or a State; but it does not include a dispute relating to employment in any agricultural, viticultural, horticultural. or dairying pursuit;

Senate's amendment—Leave out "but it does not include a dispute relating to employment in any agricultural, viticultural, horticultural, or dairying pursuit."

Mr. REID (East Sydney—Minister of External Affairs).—With the consent of the Committee, I should like to make a general statement in reference to the whole of the amendments which have been inserted in this Bill by the Senate.

Mr. McDONALD.—Will honorable members be afforded an opportunity of discussing the matter generally?

Mr. REID.—Yes. My object in making this statement is that honorable members shall be afforded the same amount of latitude. In the first place, I think that I represent not only the views of every member of the Government, but also of the vast majority of this Committee, when I say that there is an earnest desire that the arduous and protracted labours which have been devoted to this highly difficult and important subject during the present session shall not be thrown away. I know that there are one or two honorable members who, in their antagonism to the main principles of this Bill, go so far as to openly declare their readiness to vote this way or that way in order to defeat it. That is a

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matter for which they must accept full responsibility. But I feel perfectly sure that there are very few honorable members who take up that position. I am thoroughly convinced that upon both sides of the House there is an overwhelming majority of honorable members who honestly desire to pass a measure of this kind into law. I trust that there will be no misapprehension upon that point either inside the House or outside of its walls. It is quite true that there have been keen differences of opinion upon some very important provisions of this measure, but when we consider the novel and difficult problems with which it deals, I do not think the fact that there have been such difficulties can excite surprise. I believe that these difficulties of opinion have been honestly fought out on the part of a very large number of honorable members of this Chamber. I do not think a better proof of that fact can be found than is afforded by the circumstance that the members of the Senate—most of them highly competent to judge of the merits of a measure of this character, both from practical and general experience—in spite of the number of large questions of great novelty and difficulty which are involved in legislation of this nature, have found — owing to the thorough revision of the Bill by the House—it necessary to make only four amendments in the whole measure. I think that I may fairly give both Houses credit for having done their work well when their labours have been attended by the striking result that there are only four differences of opinion existing between a majority of the members of each Chamber. It shows that the conflict of opinion by which the consideration of the Bill has been marked, and the close examination given to it from its introduction to its latest stage, have produced a measure about which there are singularly few differences of opinion on the part of the two Houses.

Mr. WATKINS.—They are very important differences.

Mr. REID.—No one underrates their importance. I may also be allowed to make the further remark of a preliminary nature that, so far as this matter is concerned, it has never been a question of the Senate or of the House of Representatives being in antagonism to the principle involved. It has never been a case of that sort. The great majority of the members of another place, like the great majority of honorable members of this House, have had a most earnest and sincere desire to see some measure of this kind passed into law. The honorable member is perfectly correct in saying that the differences of opinion disclosed by the amendments made by another place are very important. With one exception, they certainly are. But there is one of these amendment which the Government see no difficulty in accepting. I do not know that it would have any very serious operation.

Mr. WEBSTER.—That is why the Government are prepared to accept it.

Mr. REID.—The fact that it would have no very serious operation shows that there could not be much objection to it on the part of any one. Only an honorable member who is of a peculiarily pugnacious disposition and does not fully realize the value of time—and especially the time of the Parliament—would raise serious objection to matters of no moment. I have no sort of objection to the amendment to which I have referred.

Mr. WEBSTER.—What is the amendment?

Mr. REID.—It is amendment No. 4 in the schedule.

Mr. WEBSTER.—A farce.

Mr. REID.—I do not understand the honorable member. I am speaking of an amendment made by another place, and I certainly do not accuse the Senate of perpetrating a farce by making the amendment in question. I think that the remark made by the honorable member constitutes a reflection, which is entirely undeserved, upon the Senate.

Mr. WEBSTER.—They would not do it willingly.

Mr. REID.—The Government, at all events, are prepared to accept a proposal when it is made in an honest spirit, and from a desire to place a particular part of the Bill upon an equitable footing.

Mr. WEBSTER.—I say that it is a farce for the Government to accept only that amendment.

Mr. REID.—I am glad that the honorable members has profited by the instruction he has just received. These little whispers often produce sensible results in the most unexpected quarters.

Mr. WEBSTER.—I am following the right honorable member's example.

Mr. REID.—I trust that the honorable member will not take up too much time in this way. He occupies quite sufficient time when he is inflicting suffering upon us,

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without giving us instalments of the cause of that suffering at an unseasonable time.

Mr. CHANTER.—Will the right honorable member read the amendment which the Government are prepared to accept? I do not think the schedule is available.

Mr. REID. — I refer to the fourth amendment in the schedule, which has been distributed. It applies to employers' organizations, in effect, the principle which applies to industrial organizations having a political character.

Mr. FRAZER.—Would the right honorable member be in favour of applying the principle to an individual employer?

Mr. REID.—If the honorable member will allow me I would remind him that the most important duty I have at present to discharge is that of indicating the attitude of the Government with reference to the amendments made by another place. With experience I am sure the honorable member will realize that when a Minister is making a statement upon definite propositions of an important character, it is most inconvenient for him to be led away to consider side issues that are not before the Committee. At present I am making only a general statement; but I shall be glad later on to answer any question with reference to any matter bearing upon the four amendments which have been made by another place. The Government do not propose to raise any opposition to the acceptance of the fourth amendment. Coming to the others, I take the first and second—I refer to the amendment relating to persons engaged in agricultural and other rural pursuits, and that relating to persons engaged in domestic service—as practically raising the same question. In considering these proposals it is necessary that I should direct the attention of the Committee to what seems to me to be the main scope of a measure of this kind. I suppose there is no man who carries his desire for such legislation so far as to conceive it possible for a Conciliation and Arbitration Court to settle all the disputes which occur between individual workers and individual employers.

Mr. HUGHES.—It has to deal with organizations.

Mr. REID.—Exactly. I was about to refer to that point. This Bill, so far from aiming at a sort of benevolent despotism, which would enable every man working for another, or every employer having an individual in his service, to bring his individual grievance before the Court, has a totally different object. No person is attempting to create what I should call a domestic jurisdiction of that kind. No Court on earth could grapple with the individual disputes of persons throughout the whole range of industrial employment. The main object, and the main effort, of this new departure, as I understand it —and even in this aspect I have looked upon the proposal as one involving many difficulties—is to deal with organized bodies, both of employers and workers, and especially with bodies relating to industries where the conditions are uniform, or approach uniformity. We can never forget that we are dealing with the industrial life and effort of a comparatively small number of human beings, scattered over a continent embracing an area of 3,000,000 square miles. Any attempt to follow individual difficulties in industries round the whole continent would commend itself only to some person not quite in possession of his faculties. From the very first mention of a Federal Conciliation and Arbitration Act, I think that every one, both in the Conventions and out of them, has kept steadily in mind the view that it would apply to large bodies, the conditions of whose employment are practically the same throughout the States—that it would apply to such disputes as those affecting persons engaged in maritime pursuits, shearers——

Mr. MCDONALD.—And upon the railways.

Mr. REID.—This Bill, as it is, will relate to disputes affecting railway employés. It will also affect disputes concerning large industries, such as the iron trades, which are of very great importance, and in which the conditions of employment are very much the same right throughout the Commonwealth. But the view which the Government take with reference to the inclusion of persons working in agricultural industries is to be expressed under one or two very simple heads. In the first place, we consider—and in so considering we remember the vast variety of conditions which prevail owing to climate, owing to seasons, owing to the varying capacities of the soil —the infinite variety of conditions affecting labour and employment, and remuneration, which are presented by an attempt to bring persons engaged in the rural industries of Australia under the scope of a measure of this kind.

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Mr. PAGE.—But they are human beings are they not?

Mr. REID.—They are; and so are clerks, but they are not included in this Bill.

Mr. WATSON.—They are not excluded.

Mr. REID.—There are large bodies of persons for whom this Bill was professedly never intended from the first. The term "industrial organizations" shows that.

Mr. HUGHES.—Not as persons, but they may be included as associations.

Mr. REID.—I hope that I shall not have to take up time by admitting that they are human beings; but I wish to point out that the Arbitration Court, in our opinion, will have a sufficiently formidable task, even to deal with these highly-organized industries, whose conditions of employment are practically the same all over the Commonwealth, without entering upon an attempt to deal with difficulties of the character to which I have referred. That is one observation which I have to make. The second observation which I have to make is this: There have been Arbitration Acts in force, as we know, in various parts of Australia—in New South Wales, not so long in Western Australia, but for a good many years, and in New Zealand.

Sir JOHN FORREST.—Longer in Western Australia.

Mr. REID.—Is that so? I thought the Western Australian Act was more recent. Then I understand that the Western Australian Act has been in existence even longer than the New South Wales Act?

Sir JOHN FORREST.—I think so.

Mr. REID.—So that we have the fact that Compulsory Arbitration Acts have been in force in New Zealand, Western Australia, and New South Wales for some years past. So far as I know, there is not a single union in existence in connexion with these rural industries throughout the length and breadth of Australia. I believe that is an accurate statement. No union of any kind has been organized in New Zealand which embraces persons who come under the definition of persons employed in agricultural, viticultural, horticultural, or dairying pursuits.

Mr. SPENCE.—They are not shut out by the States Acts.

Mr. REID.—That is a question upon which even lawyers may differ.

Mr. WATSON.—There is no difference of opinion about it.

Mr. REID.—I only say—without forgetting that lawyers can differ about anything—that, so far as the structure of the New Zealand Act is concerned—the Western Australian Act is not quite so clear either one way or the other——

Mr. WATSON.—There is no exemption.

Mr. REID.—That strengthens the position I take up.

Mr. WATSON.—They are not excluded under the New South Wales Act.

Mr. REID.—The honorable member is quite right; though domestic servants are expressly excluded. That strengthens the remark I wish to make. We will take it as indisputable that there is nothing to prevent persons engaged in the agricultural and the other industries mentioned from forming unions in New Zealand, New South Wales, and Western Australia, and getting the benefit of the compulsory arbitration law. Now, I say that the fact that, having the opportunity to avail themselves of such laws, the agricultural workers of New Zealand and New South Wales and Western Australia have never made the slightest effort to form a union for the purpose of getting the advantages of such legislation, is surely one of the strongest proofs that we need not be so desperately anxious about them with reference to a measure of Federal concern.

Mr. WEBSTER.—They ought not to be excluded.

Mr. REID.—I hope that my honorable friends opposite will recollect that I am aware that, in what I am saying, they are entirely opposed to me, and they need not give any evidence of that fact by way of interruption. I know it, and admit it. I only point to the notorious fact that, in spite of the zeal—the creditable zeal—which has been shown in the organization of trade unionism throughout Australia, by forming as many trade unions as possible, the agricultural workers have not been organized. So far as I am concerned I have never made a secret of the fact that I am a thorough believer in that form of organization. I believe that, in times long gone by, the advantages of combined action were altogether in favour of different classes and different interests, and the position of the workers in past ages was very much owing to the absence of this development of trade unionism which exists to-day.

Mr. WEBSTER.—Now the right honorable gentleman wants to cripple it.

Mr. REID.—I will explain my attitude presently, and in doing that the honorable

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member cannot help me. So far as I am concerned, the spread of trade unionism throughout Australia is a development that I heartily believe in, and that I have no sort of grudge against or opposition to. But I want to point out, as the strongest proof of the vast difference between the conditions which attend the sailors, who have a very grand union, and the shearers, who have a grand union, and the engineers, who have a grand trade union, and the iron trades—all having grand trade unions—the strongest proof, I say, of the inherent difference between these industries and the rural industries, is that, whereas we see a magnificent development of trade unions in the uniform and highly organized trades to which I have referred, so far as the rural industries are concerned there has either been no attempt—which is in itself a recognition by the Trades Hall authorities of what I say—to form them into unions, or, if there has been an attempt to form them into unions, it has been an absolute failure.

Mr. KENNEDY.—They are all busy making money, and have no time to bother about anything else.

Mr. REID.—I put that fact that there has not been an attempt at a trade union in connexion with the farming and agricultural industries on the part of the workers, as the strongest confirmation of the view which I take; and it seems to me, in view of that fact within the sphere of State compulsory arbitration, that this matter, upon which I hold strong views, and upon which a large number of honorable members in this Chamber hold strong views, is not one of the practical importance which the other questions at issue possess. First of all, there has not been an attempt to form a trade union; and, secondly, that is an acknowledgment of the impossibility of applying conditions of the sort contemplated, after investigation by this kind of judicial authority, to the varieties of circumstance and want of uniformity which exist in connexion with the agricultural industries. I wish to say that the Government cannot accept the amendment.

Mr. HIGGINS.—Is it worth while to make that exception?

Mr. WEBSTER.—The Government have made a lot of capital out of it up to now.

Mr. REID.—I am simply announcing the fact, and I think I may be permitted to do so, that the Government cannot accept that amendment.

Mr. HUGHES.—The two amendments?

Mr. REID.—I am coming to the other.

Mr. HUGHES.—The right honorable gentleman took the two together.

Mr. REID.—I am now coming to the second branch of the subject, and if the honorable and learned member for West Sydney will not be so impatient, he will find that I shall deal with every thing before I sit down. The next matter to which I proposed to refer was with reference to the inclusion of domestic servants. I wish to say that all the remarks which I have made with respect to the inclusion of labourers engaged in our rural industries, apply with even greater force to the inclusion of domestic servants. They have been included in the Act in New Zealand, I am told by honorable members opposite, and in Western Australia.

Sir JOHN FORREST.—Recently. It was not in the first Act; but in the second, which is an amendment of the first Act.

Mr. HUTCHISON.—When the mistake of leaving them out had been discovered.

Mr. REID.—I confess that I am a little more interested in the affairs of Australia than in those of New Zealand. I have too much to attend to in studying different movements in Australia to have been able so far to give much time to the affairs of New Zealand.

An HONORABLE MEMBER.—The right honorable member for Swan referred to Western Australia.

Mr. REID.—During the recess, I intend to make myself acquainted with all the ramifications of States laws upon every conceivable subject. I am obliged to the right honorable member for Swan for the information he gives me, that in Western Australia domestic servants have only recently been included in the Arbitration and Conciliation Act.

Sir JOHN FORREST.—They are included generally, and not specifically, in the present Act. They were not included in the Bill I introduced.

Mr. REID.—I must again ask honorable members, in considering this question of the inclusion of domestic servants, not to forget that our only jurisdiction, except by consent, is over disputes which extend beyond the limits of any one State. It does seem to me a strong demand, I will not say upon the common sense, but upon the imagination of any legislator, to conceive of a dispute between a mistress and her maid assuming Inter-State importance. In the

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first place, there must be an industrial organization before the dispute could have any sort of cognizance by this tribunal.

Mr. GLYNN.—Domestic disorganization.

Mr. REID.—Very much so. In the first place, the domestic servants must organize themselves into an industrial organization before this Bill can be of the slightest service to them, and then there must be a dispute which extends beyond the limits of one State into another. I do not deny that highly experienced political diplomatists could invent a condition of things which might spread disputes over every conceivable area. But we are not dealing here with conflagrations, lighted by incendiary means, but with honest disputes between people who have honest grievances. We are not dealing with persons who have a mere desire to extend the area of industrial misunderstanding. In the first place, I say that we cannot accept the inclusion of domestic servants for the reasons which I gave in dealing with the inclusion of those engaged in rural industries, and I think that the argument is even stronger, if that were necessary, against the inclusion of domestic servants. In connexion with the history of this particular measure, it must not be forgotten that there was an express provision in this Bill when it was introduced by the Barton Government, excepting domestic servants from its operation.

Mr. HIGGINS.—That was a mistake.

Mr. REID.—It was a fact, and not only that, but when the Watson Government came into power and took up the Bill, they gave notice of a number of amendments they intended to move upon it, and if I am correctly informed, in the schedule of amendments submitted by that Administration, there was no proposal to remove the exclusion of domestic servants. So that we had not only the Barton and Deakin Governments recognising, as I think, the common sense of the situation by expressly excluding domestic servants, whilst not excluding hotel servants and persons engaged in occupations of that sort which might be capable of some regular and uniform arrangement, but the Watson Government also showed their common sense by taking up precisely the same attitude as their predecessors and submitting no proposal to remove that exclusion.

Mr. McDONALD.—They all voted for it.

Mr. REID.—It was the honorable member for Kennedy who supplied the statesmanship to suggest the alteration, and the Watson Government accepted the honorable member's leadership in the matter, though it was not within their plan of campaign. I do not at all complain of that, because they were perfectly at liberty to take any course they pleased upon any amendment that might be moved. But, as a matter of fact, the Watson Government did not propose to do this, while the honorable member for Kennedy did propose it, and then, no doubt, the Watson Government very heartily supported it. That involved a change of their policy on this particular matter. So far as this question is concerned we take up the position we took up before, when this matter was submitted to the whole Committee, and when both the rural industries and domestic service were, by deliberate and very considerable majorities, removed from the sphere of this scheme of national arbitration.

Mr. ROBINSON.—The Alliance Party voted with us on those points.

Mr. REID.—Certain honorable members, of course, exercised their own independent judgment. It is quite proper that members of the Labour Party, in accordance with their organization, should vote together upon matters contained in the labour platform. I am not canvassing that at all. They must act in accordance with their rules, but so far as other honorable members on the opposite side are concerned, I believe they exercised their independent judgment honestly in voting against the inclusion of those engaged in the rural industries, and of domestic servants.

Mr. McWILLIAMS.—Some honorable members of the Labour Party voted against their inclusion.

Mr. REID.—I am very glad to hear that. Honorable members of the Labour Party who took that course must have held very strong views upon the subject. I recognise that all these votes which took place in Committee represent the honest convictions of a large majority of honorable members of this House. I now come to the third matter—the question of preference. I suppose we all have a keen recollection of the long debates on this subject, and the results which followed from the expression of the opinion of the majority of the Committee, and, again, from the expression of the opinion of the majority of the House. I can only say that, so far as the Government is concerned, we

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see no reason whatever to change the attitude we took up when sitting on the other side. We are just as firm in the view we take as we were when we had not the responsibility of government, and, as a result, the Government find it impossible to ask the House to agree to the three important amendments made by the Senate.

Mr. WATSON. — Does this betoken an anxiety on the part of the Government to get the Bill through?

Mr. REID.—If the honorable member will allow me, I am about to make a remark quite in line with what he says. It might be said at first sight, just as the leader of the Opposition has said across the table, "You profess an anxiety to get this Bill through; the Senate has made three important suggestions"—I leave the other amendment out of account—"and you do not accept any one of those; how can you say that you are making an honest effort to arrive at some terms of compromise with the Senate?" I think I can dispose of that position without any difficulty.

Mr. PAGE.—It would not be the right honorable gentleman if he could not do so!

Mr. REID.—I hope I shall do so upon grounds of reason, which will recommend themselves even to the intelligence of my worthy friend who interjects.

Mr. PAGE.—The Prime Minister knows that he has the numbers.

Mr. REID.—In the first place, I think I am correct in saying that, in respect of those three differences between the Senate and this House, the majority of the members of the Senate, and of honorable members sitting opposite, are one party, sailing in the same boat. That is a fact which has to be remembered.

Mr. WATSON.—Not all of them.

Mr. REID.—Well, they have strong affinities.

Mr. WATSON.—Hear, hear.

Mr. REID.—We have an example of the attraction of the law of gravitation applying to bodies in near juxtaposition.

Mr. PAGE.—The right honorable gentleman said the same when the Tariff was before Parliament.

Mr. REID.—It shows how consistent I am.

Mr. PAGE.—For once!

Mr. REID.—I desire to point out that the body of opinion expressed in those three proposed amendments represents the battle-ground of honorable members opposite—no more and no less. The Labour Party, as we all know, is in strong evidence in both Houses. But it is the same party—it is the same body, and the same struggle; and when honorable members wish to make out that, instead of the old battle coming on again in the same quarter, it is some impartial and august distant tribunal which is appealing for the revision of our views, I say, with every respect to honorable members in another place, that the fight which was fought out on this floor is the same fight repeated in the Senate by the three amendments.

Mr. HUGHES.—Yes, but the result is entirely different.

Sir WILLIAM LYNE.—I think the right honorable gentleman's remark applies more particularly to one amendment.

Mr. REID.—Yes; I think the honorable member for Hume is perfectly right when he suggests that my remark applies more particularly to the preference amendment. As to that amendment, and also with regard to the inclusion of States' public servants, it must be recollected that honorable members who sit on this side have, many of them, made most serious concessions in order that this Bill may be brought into operation. It is an unusual fact, but it is a fact that one Prime Minister, who was in charge of the measure, felt it his duty to do the incredible thing, namely, to resign his distinguished position; and that gentleman, and others on this side who also held similarly strong opinions against the inclusion of State public servants, are now allowing the Bill to go through, so far as they are concerned, with this provision to which they have such serious objection. I do not think that that concession is to be underrated. If those mischievous tactics, to which honorable members refer, of men voting against their principles in order to achieve a certain object, were put in vogue, it would be only necessary for one or two of those who have strong opinions against the inclusion of States public servants, to do a pretty good stroke of business in the way of wrecking the Bill by changing their vote.

Mr. WATSON.—They are not strong enough in the other House.

Mr. REID.—Mischief-makers are often strong enough.

Mr. TUDOR.—The mischief-makers are all on the other side.

Mr. REID.—I thought that honorable members opposite were not even to slumber

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so long as this Government remained in office. It is difficult for my friends of the Opposition to realize that other human beings are as capable as themselves of taking disinterested views of public matters. They have been so accustomed to consider themselves as representing a new gospel of political rectitude and disinterestedness, that it is very difficult for them to believe that other mortals are cast in an equally conscientious mould.

Mr. BATCHELOR.—The right honorable gentleman is giving us a shock.

Mr. REID.—I gave honorable members opposite a shock, from which they have never recovered; it has been a case of shock, and something more than shock, ever since. But I do not object to the restlessness of my friends opposite, because it is a sign that things are going well; it is one of those familiar signs which I am well able to appreciate. I believe honorable members opposite would be much more disappointed if I were to accept the three amendments.

Mr. TUDOR.—Try it!

Mr. REID.—I believe honorable members opposite would be infinitely more disappointed if the Government were to accept these amendments.

Mr. HUGHES.—Try it!

Mr. REID.—Great as my desire is to make any fair and reasonable concession, I take up the position that the three matters dealt with in these amendments are of too great importance for the Government to surrender upon. That is the view which the Government take; and they take it, of course, on the responsibility which devolves upon them. But I should like to point out another sacrifice that a very large number of members are making in order that this Bill may be passed into law. It will be remembered that the question as to whether there should be any preference at all to unionists, was the subject of difference of opinion, and that a large number of honorable members on this side—not by any means a majority of the House, I admit; but a considerable minority—took a view against preference. The majority of the House decided in favour of preference, which is provided for in the Bill; and although we do not approve of the principle of preference, we are accepting it as a sacrifice we are willing to make in order that the measure may become law.

Mr. WATSON.—Honorable members opposite are sacrificing nothing according to the present position.

Mr. REID.—I shall wait for these interruptions to cease before I proceed with my statement.

Mr. TUDOR.—The Prime Minister does not seem to like the interjections.

Mr. REID.—I do not mind interjections at another stage; but when a Government statement is being made on important matters which are before us for consideration, there ought to be a certain amount of order, especially on the part of those who are familiar with the traditions of office. I was saying that this very provision for preference represents a sacrifice of the strong opinions of a large number of honorable members of the House.

Mr. HIGGINS.—How could the right honorable gentleman help it?

Mr. REID.—I am acting now in a way in which I could help it. My honorable friend naturally makes that interjection; he belongs to the helpless school of politicians. But I have many ways of helping things which I disapprove of. In the interests of passing this measure, we should do our best, as far as we conscientiously can, to surrender our individual views.

Mr. WEBSTER.—In the interests of party government.

Mr. REID.—I have always thought, and I now think, that I am expressing the views of honorable members opposite as faithfully as my own. They have always appealed to the people, and appeal to Parliament, in favour of a compulsory arbitration law, on this ground—that strife has pushed physical endurance on the part of employers and physical endurance on the part of the workers to the last stage, involving tens of thousands of innocent persons in suffering and misery, and that the peaceful arbitrament of these trials of brute strength in a Court of equity was a noble object.

Mr. WEBSTER.—That is what we have not got.

Mr. REID.—I am delighted to hear an acknowledgment of what should be a notorious fact. The very soul of this Bill is not to serve any one's individual interest in business, whether unionist or employer, not to make trade unions popular, or to force men to join them. That is not the sphere of a Court of justice; that is not the duty of a judicial tribunal. The main object of this Bill upon which the people of Australia and those who are in favour of it, rely, is not a selfish one. Why should the powers of legislation, why should the time of a national Parliament, be taken up

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with trade disputes? Would not our Constitution become a source of degradation; would it not stink in the nostrils of the world, if we used our powers of legislation and our Judiciary to serve the interests of one man in preference to those of another, to pick out individuals except on some sort of principle? I am against preference, but I accept that golden rule which has solved so many practical troubles in politics—I accept the principle of majority rule. Many of the most difficult questions which have divided individuals have been solved by that rough and ready method. And in the interests of this great measure and the noble object which it has in view, we accept loyally and honestly the principle of preference to unionists. The next point is that the late Government acknowledged the difficulty attending this matter. I suppose that the members of that Government will not forget their corporate conscience and intellect now that they sit in opposition. Did not the corporate conscience and intelligence of the Watson Cabinet arrive at the conclusion that this principle of preference must be regulated? Did they not admit that in the interest of truth, right, and justice?

Mr. WATKINS.—As a compromise.

Mr. REID.—I hope that honorable members will not attempt to deny notorious facts.

Mr. WATSON.—That is not a fact. We are prepared to trust the Court to regulate the principle.

Mr. REID.—I must refresh the memory of my honorable friend. I have ringing in my ears a suggested proposal that preference to unionists should not be given——

Mr. TUDOR.—That was never before the House.

Mr. REID.—It is a sore spot, but I intend to finish my sentence. I have ringing in my ears a suggested proposal that the Judge should not be forbidden to grant preference to unionists unless he was satisfied that both in numbers and competence there was a substantial number of all those engaged in the calling——

Mr. HUGHES.—We preferred that proposal to the amendment of the honorable and learned member for Corinella.

Mr. REID.—I shall hear the honorable and learned member's explanation afterwards. I am dealing with facts at present.

Mr. SPENCE. — "Substantially represented."

Mr. REID.—That is so. It was, in effect, proposed that no preference at all should be given, because if it be a principle there is no limitation of it. But, as the Watson Government were prepared to accept the Bill, the principle of preference to unionists was absolutely destroyed, and they were prepared to say: "We shall not ask for this as a principle; but we are prepared to limit its operation, and it shall not be granted unless the party before the Court substantially represents in numbers and competence not only the trade unionists but all the workers engaged in that calling throughout the Commonwealth." It is notorious that the late Prime Minister, with all the responsibilities of his high office upon him, explained to this Committee and to the country that there was no substantial difference between his amendment and that of the honorable and learned member for Corinella.

Mr. WATSON.—I absolutely deny it; I never said anything of the sort.

Mr. REID.—I think I could show the honorable gentleman that he did; but I accept his denial, leaving it, as I have stated, that he was willing to give up the principle of preference.

Mr. WATSON.—Not at all.

Mr. SPENCE.—He was willing to leave it to the Court.

Mr. REID.—I have not the actual words of the honorable gentleman, but I think honorable members will recollect, as I do, that he explained that his real objection to the amendment of the honorable and learned member for Corinella was that the Court would not be able to ascertain whether there was a majority or not.

Mr. MCCAY.—His only objection.

Mr. WATKINS. — The Prime Minister urged that objection himself.

Mr. REID.—That may be; but it does not affect my statement of what the late Prime Minister did. If my honorable friends could only get to some principle of logical operation we should be saved a number of interjections. I think it will be in the recollection of every honorable member that the main objection urged to the amendment of the honorable and learned member for Corinella was the difficulty which a Judge would have in ascertaining whether there was or was not a majority in the trade favorable to the application. As honorable members who are more familiar with the law than the leader of the Opposition is pointed out, the amendment did not cast on the Court as a matter of judicial know-

ledge the fact that there was a majority. It put the Court in the position of a jury, and it said, "If, in the opinion of the jury—that is the Judge presiding—there is a majority favorable to the application, preference should be granted." So that the difference between the attitude of the late Government and the attitude of the House was a very small one. I point that out to show that the greatest possible concession was made in the interests of the trade unions that could fairly be made. Surely it is a great concession, if a Court of Justice is empowered to give preference to one man over another in the opportunities of earning his living? If a majority in a calling are willing to place a man in that privileged position, surely that is a large concession to the personal interests, and the trade interests of trade unions. Much as one admires the spirit of trade unions, much as one recognises the grand work which they have done in elevating the masses in Australia, even the highest and the greatest in the land must be regulated by some consideration for the rights of other persons. And with every desire in the world to help the cause of the trade unions, when we are asked, without any safeguard at all, and in spite of a majority of those in the calling being against it, to create a state of things under which perhaps 250 men in a trade union in Sydney or Melbourne, might get a preference over hundreds and hundreds of their fellow-workmen in the same industry, that in my mind does not represent a substantial regard for the position and wishes of the people in those industries. I do not desire at this stage to make any longer statement than is absolutely necessary. I acknowledge with great satisfaction the fact—and a very valuable fact it is—that the Senate has upheld the attitude which this House took with reference to the political character of trade unions. I do not wish to diminish the significance of that fact, and, in view of its acceptance of that provision, the least we can do is to accept a similar provision with reference to the employers. What I suggest to the leader of the Opposition is that the Committee should have some time to consider my statement.

Mr. WATSON.—I wish to say a word or two first.

Mr. REID.—That is perfectly right. After the leader of the Opposition has been heard, I suggest that we should go into Committee on the Papua Bill, and resume the discussion of this matter to-morrow.

Mr. WATSON (Bland).—The action of the Prime Minister in going beyond a mere Ministerial statement, and entering into the argumentative aspect of the subject before us, renders it necessary for me to say a word or two, although I do not wish to take up any great amount of time. I must express my sense of disappointment that, after assuring the House and the country of the anxiety felt by every member of the Government, and those sitting behind it, to have the Bill passed, the right honorable gentleman should appear so little alive to the importance of the position assumed by the Senate, and should evince so little recognition of what is due to that body, as to be prepared to accept only amendments relating to what he has admitted to be matters of absolutely no importance. He spoke of the sacrifice which he and those with him have made in regard to preference, but I would point out that the provision for preference in this measure is but the most vile of pretences. It professes to give to the unionists, the organizations on which, as he has admitted, the Bill is based——

Mr. REID.—I do not admit it.

Mr. WATSON.—The right honorable gentleman has done so. He used that fact as an argument against the inclusion of agricultural labourers and domestic servants. He said, "They have no organizations, *ergo*, it is impossible to apply the provisions of the measure to them." He also said that every member knows that the Bill is based entirely upon organizations. But where organizations do exist, he is not prepared to admit the need for preserving them, so that the Court may have some machinery by which to carry its awards into effect, and to give value to them.

Mr. MCCOLL.—Because the organizations themselves will not deal justly.

Mr. WATSON.—The honorable member speaks from his enormous experience of trade unions, from his frequent contact with strikes and industrial disputes! He is as ignorant on this subject as is the new-born babe. Does he not know that, only a couple of days ago, the Trades-hall Council in Sydney refused, by a large majority, to consider a motion which sought to impugn a decision of the Court in respect to this very question of preference to unionists?

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He ignores a signal instance of that kind. He says nothing of the anxiety of labour bodies to take a just attitude. I do not assert that they always assume a just attitude; but even the honorable member can hardly claim perfection in regard to the conduct of life.

Mr. HUTCHISON.—If he could, he would not be on the Ministerial side of the Chamber.

Mr. WATSON.—Probably not. The Prime Minister stated that the Watson Administration accepted the position that preference, as a principle, was to go by the board, that we were prepared to accept something very similar to the proposal of the honorable and learned member for Corinella.

Mr. KELLY.—The honorable member was prepared to limit preference.

Mr. WATSON.—We were prepared, as a compromise—since the Committee was not ready to trust the Court, and we wished to give evidence of our anxiety to have the Bill passed in a workable shape—not to stand to the letter of our original proposal. When the right honorable gentleman said that there was no noticeable difference between the amendment of the honorable and learned member for Corinella and that which I suggested, but which I did not get an opportunity to have considered, he must have forgotten that we thought the difference of sufficient importance to take a course which I do not think he has ever taken on any similar occasion during his political life, that of resigning our positions as Ministers. That action would seem to imply, in our opinion, a considerable distinction between the amendment of the honorable and learned member for Corinella and my proposal. There is not a word in the statement which I made when putting that proposal forward which can be construed into the expression of a desire to limit the duty of the Court to decide on the question of preference on the evidence before it. From the start I have taken up the position that if the Court can be intrusted with the duty of declaring what hours shall be worked, and what wages shall be paid—matters wherein its decision might ruin an employer—it can be safely intrusted with a minor matter, such as the duty of saying whether unionists shall or shall not receive preference. That position has never been departed from by me, nor by those associated with me in this struggle for an Arbitration Bill. I do not know that I need say much more at this stage. I hope that honorable members will evince a greater anxiety to have this measure passed than is indicated by the statement of the Prime Minister. I should be sorry to believe that what he has suggested is the most that will be done in order to get the Bill passed. I had hoped that there was a reasonable probability of dealing with the measure this session, but that idea receives no encouragement when we find that the Government are prepared to accept nothing of any importance, but are insisting that the Senate, or any other body of men who differ from themselves, shall swallow their opinions, if they wish the Bill to become law.

Mr. DEAKIN.—Does the honorable member stand upon the Senate's amendments, or has he any alternative to suggest?

Mr. WATSON.—That is a matter we can discuss to-morrow, or whenever the Bill is again brought under discussion.

Mr. DEAKIN.—It would help us a great deal if we had a chance in the meantime to consider any proposals.

Mr. WATSON.—I do not know that I am justified in affording opportunities for more thimble-rigging at present.

Mr. DEAKIN.—I desire only to save time.

Motion (by Mr. REID) proposed—

> That the Chairman do now leave the chair, report progress, and ask leave to sit again to-morrow.

Mr. WEBSTER (Gwydir).—In view of the peculiar turn that affairs have taken, I hardly think that we should allow the respite asked for by the Prime Minister. The Papua Bill is not nearly so important as the measure now before us, and I do not think the Chairman should leave the Chair until the Government are prepared to make some concession to the views of honorable members on this side of the Chamber. We are no nearer a solution of the difficulty than when the Bill was sent to the Senate. I am satisfied that the Government are unwilling to concede anything that will prove satisfactory to the people who have sent us here. The Prime Minister has made some flippant remarks with regard to the impossibility of organizing domestic servants and agricultural labourers to the extent necessary to enable them to take advantage of the provisions of the Bill. He has expressed his willingness to place employers' associations upon the same basis as the labour organizations, so far as political objects are concerned. The concession he

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is prepared to make is of very little, if any, value, and, even if he proceeded to the length of agreeing to the inclusion of agricultural labourers and domestic servants, those who desire to see a practical measure passed would not be satisfied. If we are to attach any importance to the opinions of the Prime Minister with regard to the practical value of the Bill, he is asking us to accept a measure that will be of little or no use. The Prime Minister says, in effect, that he is now offering the labour unions that for which they have been asking for many years, namely, majority rule. The right honorable gentleman knows very well that he is conceding the advantage of majority rule only in instances in which it will be impossible to decide whether there is a majority. He says that the Senate has done its duty marvellously well, and yet he is not prepared to accept the results of their labours. We are not prepared to accept legislation which will prove ineffective. No Bill would be better than a bad one. I recognise that the Prime Minister is very anxious to get into recess, and that he would be happy to see this troublesome Bill out of the road. I can assure him that all his fervent appeals to the patriotism of trade unionists, and his expressions of admiration for them, will have no effect when he tells them that, although they ask for bread, he is prepared to give them only a stone. The history of this measure does not reflect much credit upon some of those honorable members who have professed to support it. The Deakin Government went out of office because they would not accept the provision for bringing the public servants of the States within the scope of the measure. The Prime Minister was one of those who voted against the inclusion of the railway servants, and yet he is now ready to swallow a Bill containing that provision, and, at the same time, lay down a rule which will prevent the measure from being applied with any satisfactory results to the great majority of our industrial workers. I shall not be content to allow the Bill to pass until we receive some assurance from the Prime Minister that our labours are not to end in smoke. This is really the only practical measure that has been under consideration this session, and we are now being asked to accept it in a form in which it will be useless. I shall oppose the motion until some more definite assurance has been given by the Prime Minister.

Mr. McDONALD (Kennedy).—I am rather surprised at the action of the Government.

Mr. REID.—Is the honorable member ever anything but surprised?

Mr. McDONALD.—I am not surprised at anything that the right honorable gentleman may do, because his political record has been of such an extraordinary character that no one need feel astonished at any course he may adopt. I think it is desirable that we should proceed to deal with the Bill at once. No advantage can result from delay. The measure has been very fully debated, both in this Chamber and in the Senate, and no new arguments are likely to be brought to bear upon it. Therefore, a postponement can result in only waste of time. The fact is that the Prime Minister is not prepared to proceed with the consideration of the Senate's amendments in this Bill, because he has not a majority present. Indeed, if the members of the Opposition sit tight it is very questionable whether he can command a majority in favour of an adjournment of this debate. In endeavouring to defer the consideration of the Bill until to-morrow, he is acting very shrewdly. Personally, I would rather see the measure discussed, and, if need be, thrown out this afternoon. I notice that there is a conference between the Prime Minister and the Government whip. Probably the latter has informed the right honorable gentleman that he has not a majority present.

Mr. REID.—He has told me the very opposite.

Mr. McDONALD.—As a matter of fact, the reason the Prime Minister does not desire to proceed with the Bill this afternoon is that he cannot command a majority.

Mr. REID.—I spoke to the leader of the Opposition in regard to the Bill some twenty-four hours ago, and the result of our conversation was published in this morning's newspapers.

Mr. McDONALD.—The Prime Minister is aware that his majority in the person of the honorable member for Wilmot is absent, and that the honorable member for Laanecoorie is in the chair. That reduces the voting strength of the Government by three, whereas I am the only member of the Opposition who cannot vote upon the present occasion, because I happen to be paired. It is unfair that the Government

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should propose to postpone the consideration of this Bill in order that other business might be proceeded with. Those who are most interested in the Papua Bill will probably be absent for hours, under the impression that the debate upon the Senate's amendments in the Conciliation and Arbitration Bill will occupy some time.

Mr. MALONEY (Melbourne).—I think that the Prime Minister will agree that up to the present time I have occupied very little time in discussing the Conciliation and Arbitration Bill. I can assure honorable members, however, that the inclusion of domestic servants within its scope commands my whole-souled support. Hitherto the term "slaveys" has to a great extent been warranted by reason of the extremely long hours which this class of employés have been compelled to work. I admit that in Australia they enjoy a little more freedom than they do in England, and that they are better treated, though they do not receive the consideration which they deserve. But I would point out to the Prime Minister that in the constituency of Melbourne 40 per cent. of the domestic servants who were entitled to vote at the last election were practically disfranchised. In many cases they were most severely treated by their mistresses, who drove them to the polling booths and took good care to ascertain how they voted. I claim that it is unjust to make any distinction as between citizen and citizen. I agree with the honorable member for Kennedy that it is idle to traverse old ground in discussing this measure. If the numbers are up, I am perfectly prepared to come to a division without delay, and to rely upon the Senate, which has proved itself to be the more democratic Chamber of the two, to again return the amendments which it has already inserted in this measure. If we cannot then come to an agreement, I think that there should be an appeal to the country. Personally, I should be very loth to see that course adopted. The Prime Minister can readily understand that any person who has been compelled to contest two elections and a suit before the High Court within four and a half months is not particularly anxious to see a general election. Nevertheless, I feel so strongly upon this matter that I am prepared to face that ordeal, if necessary. I trust that the conflict upon this measure will be short, sharp, and decisive.

Question—That the Chairman do now leave the chair, report progress, and ask leave to sit again to-morrow—put. The Committee divided.

Ayes	36
Noes	23
Majority	13

AYES.

Bonython, Sir J. L.	McColl, J. H.
Chapman, A.	McLean, A.
Conroy, A. H. B.	McWilliams, W. J.
Cook, J.	Phillips, P.
Deakin, A.	Quick, Sir J.
Edwards, G. B.	Reid, G. H.
Edwards, R.	Skene, T.
Ewing, T. T.	Smith, B.
Forrest, Sir J.	Smith, S.
Fysh, Sir P. O.	Storrer, D.
Gibb, J.	Thomson, D.
Johnson, W. E.	Wilkinson, J.
Kelly, W. H.	Wilks, W. H.
Kennedy, T.	Willis, H.
Knox, W.	Wilson, J. G.
Lee, H. W.	
Liddell, F.	*Tellers:*
Lonsdale, E.	Glynn, P. McM.
McCay, J. W.	Robinson, A.

NOES.

Bamford, F. W.	Page, J.
Brown, T.	Poynton, A.
Carpenter, W. H.	Ronald, J. B.
Crouch, R. A.	Spence, W. G.
Culpin, M.	Thomas, J.
Fisher, A.	Thomson, D. A.
Higgins, H. B.	Tudor, F. G.
Hughes, W. M.	Watkins, D.
Hutchison, J.	Webster, W.
Mahon, H.	*Tellers:*
Maloney, W. R. N.	Cook, J. N. H. H.
Mauger, S.	Frazer, C. E.

PAIR.

Fuller, G. W.	McDonald, C.

Question so resolved in the affirmative.

Progress reported.

PAPUA (BRITISH NEW GUINEA) BILL.

In Committee (Consideration resumed from 23rd November, *vide* page 7356):

Proposed new clause 20 A—

No intoxicants or opium shall be allowed to be imported into or manufactured or sold or otherwise disposed of in the Territory except for medicinal purposes to be dispensed on the order of a medical practitioner, or person duly authorized by the Lieutenant-Governor, and any ordinance passed before the commencement of this Act providing for such introduction or sale is hereby repealed.

Upon which Mr. BAMFORD had moved by way of amendment—

That after the word "except," line 3, the words "under Government control" be inserted.

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Mr. WEBSTER (Gwydir).—We have been called upon somewhat suddenly to give further consideration to this Bill. We receive no information as to the business with which the Government intend to proceed, but from time to time are invited to consider any legislation with which they deem it fit to occupy a spare hour.

Mr. JOHNSON.—But it was understood that the Bill would be dealt with to-day.

Mr. WEBSTER.—The proposed new clause, with which I was dealing when progress was reported on Wednesday last, provides for prohibition in Papua, while the further amendment moved by the honorable member for Herbert would place the drink traffic in the Territory under Government control. It seems to me that the arguments advanced by the honorable member for Cowper and others who support the proposed new clause will not hold water. To seek to apply a prohibition law to such a territory as that of British New Guinea would be to endeavour to do something absolutely impracticable. With a coast-line and borders that can be approached from any point, British New Guinea would offer considerable inducements to smuggling and to the illicit distillation of liquors. It must also be remembered that the island of New Guinea does not belong entirely to the Commonwealth. There are two portions of it which are under the control of Germany and Holland. Consequently, it would be exceedingly difficult to apply a prohibitive law effectively to that portion of the island which is under our own control. If I could see that it would be possible to administer prohibition effectively I might be more favorably disposed towards the proposal.

The CHAIRMAN. — The honorable member must debate the amendment of the honorable member for Herbert, involving the question of Government control.

Mr. WEBSTER.—Other honorable members have spoken on the general question of prohibition, but it appears that the moving of the amendment of the honorable member for Herbert prevents me from discussing the question on broad grounds. As to the matter of Government control, it must be remembered that we have in British New Guinea a very small number of whites—about 250, I believe—together with 300,000 or 400,000 coloured people. The advocates of absolute prohibition overlook the fact that the coloured population includes a fairly large proportion of Malays and Polynesians, who have to some extent adopted the habits of civilized communities, and desire to consume liquor. Unfortunately, we have no reliable statistics on the subject. If we had it would no doubt be shown that liquor is consumed in British New Guinea both by coloured people and whites. There is no better way to control the traffic than to put it under Government management. I am satisfied that that is the safest plan which we can adopt. The opinions of missionaries who have been in the island from five to seventeen or eighteen years show us that it would not be safe to prohibit the importation of liquor absolutely. The amendment of the honorable member for Herbert would permit of its use for medicinal purposes, and under the instructions of medical men. We ought to regard the opinions of such people as missionaries and doctors, and who all tell us that liquor is essential in such a climate as prevails in the Possession.

Mr. LEE.—Why do not the blacks use it, then?

Mr. WEBSTER. — Presumably they have other articles of consumption which serve the same purpose, and which they like better than the liquor which is drunk by civilized communities. Those who are living on the spot are far better qualified to give an opinion on the subject than we are. We must give them credit for being sincere and honest in their opinions. The reports show that the missionaries, by ten to one, are against prohibition and in favour of State control. If these gentlemen were in favour of prohibition the supporters of that movement would be amongst the first to quote them. They would be glad of the testimony of missionaries and doctors in favour of any proposal which they put forward. But they are prepared to overlook that testimony because it happens to be opposed to their view.

Mr. MCWILLIAMS.—The honorable member does not accept it on other questions.

Mr. WEBSTER.—I accept any reasonable opinion expressed without bias, by persons possessing local information. I should not be opposed to prohibition as generally understood by its advocates, if I could be convinced that such a law could be applied in this case. I maintain that under the conditions which prevail in New Guinea, we should establish a system of Government control, because that would be more effective; it would better secure the object which we have in legislating for

such people as are the natives of the Territory, and it would largely minimize, or prevent the smuggling which must grow up under a system of prohibition applied to such a country. These gentlemen have indicated in their evidence that a prohibitive law would be such an incentive to smuggling, that it would result in the introduction of a far worse evil than any which exists in the Territory at the present time, because the natives would be persuaded to assist in the illicit introduction of liquor.

Mr. MAUGER.—Will the honorable member read what they say about land settlement?

Mr. WEBSTER.—That has nothing to do with the matter before the Committee. I am beginning to understand how far one can go in discussing matters in Committee, and I should not be allowed to discuss the question of land settlement on the amendment now before us. I shall oppose the application to the Territory of prohibition.

Mr. HUGHES (West Sydney).—There is much to recommend the amendment submitted by the honorable member for Melbourne Ports, and also the amendment upon it moved by the honorable member for Herbert. When this Bill was before the last Parliament, it will be found on reference to page 2995 of *Hansard*, that on the 4th August, 1903, I moved an amendment in the following words:—

> Notwithstanding anything contained in any ordinance there shall be no sale or dealing in intoxicating liquor or opium in the Territory, except by the agents of the Lieutenant-Governor, and the receipts therefrom shall go into the Treasury of the Territory.

I still hold the opinions which I then submitted, the reasons for which will be found in *Hansard* of that date; and when I had the honour to administer the Department of External Affairs, differences of opinion as to the wisdom either of prohibiting or assigning to the State weighed so much with the Department that I decided to lay the Bill before the House practically as it now stands. Personally I am, and always shall be, in favour of having this traffic under the direct control of the State. I prefer that to prohibition, because I consider that the reason for prohibition, which I admit is usually tenfold strong where one has to deal with native races, is absent in this particular case, since, as I am credibly informed, the natives of New Guinea have absolutely no leaning towards liquor in any shape or form.

Mr. JOHNSON.—Does not the honorable and learned member think that it would be wise to keep it away from them, in order that they might be prevented from acquiring a taste for it?

Mr. HUGHES.—They now have as ample opportunities for getting liquor as have the aborigines of Australia. If the honorable member for Lang has any experience of the blacks of this country, he must be aware that, in spite of the law, which is very stringent, a blackfellow can and will get drink, and does get opium.

Mr. JOHNSON.—I have seen the blacks on the Fly River take liquor as fast as it was given to them.

Mr. HUGHES.—My experience in Australia has been that opium or liquor can be bought at any time in this country in spite of the law. Liquor can be secured by black or white, on Sundays or week days, and in spite of Customs law or climate. I am told, and I must believe the statement, that, as a matter of fact, the natives of New Guinea have no desire for liquor, and I hope they never will have such a desire. I am exceedingly thankful to be able to say that personally I have no desire for it, and I believe that those people who have an unquenchable desire for liquor are perhaps more to be pitied than is any class of people on the face of God's earth. I do not believe that the amendment submitted by the honorable member for Herbert will be effective to attain the object which the honorable member desires, and I therefore propose to submit a new clause in the form of the amendment which I moved on the 4th August of last year, and which I have already quoted. The honorable member for Herbert proposes that—

> No intoxicant or opium shall be allowed to be imported into or manufactured or sold or otherwise disposed of in the Territory, except under Government control.

"Government control" there might mean nothing more than Government supervision. That is to say that the Government might appoint any person to sell liquor, just as persons are appointed to sell stamps. What I believe the honorable member wants, and what I desire, is to make the Government itself the sole purveyor, manufacturer, and importer of these articles. I believe that would be provided for by the amendment I suggest. Any delegation of the power of the Government to any individual would,

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under the amendment I suggest, be effectually prevented. "Government control" may mean nothing more than the Government control now exercised. Everything is now under Government control, and the Government may take away or grant any licence. It must be remembered that the Government, as here understood, is not only the Cabinet or Executive, but also any subordinate body authorized to act on behalf of the Government. In my view, the amendment presents the question, prohibition *versus* the present condition of things. The honorable member for Lang is very earnest in this matter; but I presume that he would infinitely prefer effective regulation and control to the present loose, unsatisfactory method. Whether that be so or not, it ought to be pointed out that the effect of the amendment is merely to permit the present system to continue. Do I understand you, sir, to rule that it would be out of order to move the new clause I had suggested?

The CHAIRMAN.—I think that the new clause would be sufficiently near to an amendment previously disposed of to prevent its being discussed. It is impossible for the Committee to go over ground already traversed; and if the Committee came to the decision that they would not agree to the amendment of the honorable member for Herbert, it would mean that honorable members were against Government or State control. Honorable members will understand that I am not supposed to give decisions with regard to legal interpretation, but only to state what, in my opinion, would be the effect of certain words if they were incorporated in the Bill. I am afraid that I shall be compelled to rule that the suggested new clause has already been discussed by the Committee, and a decision arrived at. The suggestion has been made that the Committee might decide the principle on this amendment. and that it would then be competent for the Committee to further amend the clause in the direction suggested, because that would be quite in consonance with the amendment arrived at.

Mr. HUGHES.—I suggest to the honorable member for Herbert that he should insert the word "direct" before "control," which would indicate with sufficient clearness to the Committee what the amendment would serve to do. If the amendment of the honorable member for Melbourne Ports should be defeated, and the clause as amended by the honorable member for Herbert accepted, then we might, as the Chairman has suggested, introduce such other words as would give effect to our intention.

Mr. BAMFORD (Herbert).—I am quite willing to accept the suggestion of the honorable and learned member for West Sydney. I ask the permission of the Committee to amend my amendment by inserting the word "direct" before the word "control."

Mr. LEE (Cowper).—Some honorable members, including myself, do not desire the clause to be adopted in the shape proposed by the honorable member for Melbourne Ports, but should like to see substituted the provision I outlined the other night.

Mr. Mauger.—I have no objection to the honorable member for Herbert altering his amendment, if that honorable member has no objection to my altering my amendment. My desire is merely to express in legal phraseology the principle I propose.

Mr. Hughes.—There is no objection to that.

Mr. FRAZER (Kalgoorlie).—I objected the other night to the amendment presented to the Committee by the honorable member for Cowper. Do I understand now that that honorable member desires to substitute for the amendment of the honorable member for Melbourne Ports the amendment which was outlined the other evening?

Mr. Lee.—Yes.

Mr. FRAZER.—Then I object to the alteration, because I believe that the amendment of the honorable member for Melbourne Ports, and the amendment of the honorable member for Herbert, give the Committee an opportunity to vote on the direct question. Getting the amendments into line is a matter for subsequent consideration, when the principle has been affirmed. I desire to say a word against the proposal submitted for bringing about a drastic alteration regarding the drink traffic in New Guinea. I have always understood that when alterations of the kind are suggested, it is customary to give some consideration to the wishes of the people affected, and to endeavour to obtain from them an expression of opinion. The Government have gone to considerable expense in getting information from missionaries and resident officers in New Guinea.

Mr. Mauger.—I raise quite a friendly point of order. Had we not better settle

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whether we are to allow the honorable member for Herbert to alter his amendment?

The CHAIRMAN.—That point is settled; it is quite sufficient if one honorable member objects, and that has been done.

Mr. FRAZER.—I understood the honorable member for Melbourne Ports to state that in the event of any objection being withdrawn to an alteration in his proposal, he would withdraw his objection to any alteration in the proposal of the honorable member for Herbert.

Mr. MAUGER.—I did not put that forward as a condition.

Mr. FRAZER.—I understood the honorable member for Melbourne Ports to do so; at any rate, it is a point apart from the question before us. We find that although expressions of opinion by missionaries and Government officers have been laid before us, the opinions of men who have been resident in the Territory for periods ranging from five to twenty years, and who know the conditions thoroughly, are thrown aside. Those men are opposed to the proposal of the honorable member for Melbourne Ports, and it is only right that, as they will be affected by any radical alteration, their opinion should receive consideration. Any reform of the kind, if reform it be, must, in order to be permanent, be based on the concurrence of those affected. We find that a number of honorable members say to the 600 white residents of the Territory, "Upon no consideration shall you have liquor, unless you are sick. Although you may be prospecting in those wild lands, and may run the risk of catching malarial fever, yet until such time as it is contracted, you are not to be permitted to get liquor." The honorable member for Franklin is laughing; but did not the honorable member for Melbourne Ports propose that until a man got sick, and required liquor for medicinal purposes, it should not be obtainable? I desire to enable a prospector to take with him a small supply of brandy and quinine. I do not desire a man to get sick from the want of a little brandy at the right time, or to be put to the expense of sending for a doctor in order to get a stimulant.

Mr. LEE.—The proposed new clause, as amended, will allow him to do that.

Mr. FRAZER.—That is a whittling-down of the original proposal, with the hope of capturing a majority.

Mr. LEE.—No.

Mr. FRAZER.—I object to any whittling-down of the original proposal until the question of principle has been settled. It is generally admitted in the Chamber that the natives of the Territory are not getting liquor to any considerable extent—if at all. The Arms, Liquor, and Opium Prohibition Ordinance of 1888 imposes very severe restrictions upon the white population as regards supplying drink to the natives. In section 1, it says—

> "Native" shall mean and include in its reference every person in the Possession not of European descent.

It will be generally admitted that that definition covers most of the residents in British New Guinea. Section 2 of the Ordinance says—

> No person shall, except as hereinafter permitted, supply to any native by sale, gift, or in any other way, either directly or indirectly, any firearm, ammunition, explosive, intoxicating liquor, or opium; and any person offending against any provision of this section, shall, on conviction in a summary manner, be liable to a fine of not less than £20 and not exceeding £200, and to imprisonment for any term not less than one month and not exceeding two years.

My honorable friends will admit that the restriction contained in that section is a pretty severe one. The conditions upon which drink may be supplied to a native are laid down in section 7, which reads as follows:—

> It shall not be an offence under this ordinance for any person to give to any native, for any urgent cause or necessity, and without recompense or remuneration, any intoxicating liquor when such intoxicating liquor is given solely and purely for medical purposes, but it will rest with the person giving such intoxicating liquor to prove to the satisfaction of the Court the existence of such urgent necessity, and failing such proof, in a clear and conclusive manner, such person shall be liable to the penalty provided in section 2 hereof.

In face of the barriers against the natives getting drink, and the statements from the missionaries that the natives do not get drink, and have no desire to get it, we should not impose restrictions upon men who desire to get a reasonable supply of liquor without first getting an expression of opinion from them. If the majority of the people in this Territory were to express directly their opposition to the admission of drink, I should say that their will ought to be respected. Until that opinion is obtained the proposal for Government control gives good security that the trade will not be abused. All the evidence indicates that the natives of New Guinea are not getting drink under the present control.

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Mr. JOHNSON.—I have seen them the worse for liquor.

Mr. FRAZER.—The honorable member has seen something which the missionaries who have been there for twenty-five years have not seen.

Mr. JOHNSON.—I have seen them in that state.

Mr. FRAZER.—I appeal to honorable members to consider the lives and welfare of those persons who are to be primarily affected by this legislation. My honorable friends must know that it is difficult for white men to live for any length of time in this Territory. It has been proved by past experience that no other remedy for malarial fever is so speedy as quinine and brandy. On the island, quinine is an absolute necessity to a white man, and it cannot be properly administered without brandy. I should not be so greatly opposed to this proposal if a man were permitted to take a supply of brandy with him when going to the interior. In outside places, where there is no medical practitioner, men often get sick and require liquor for medicinal purposes. Let me appeal to my honorable friends, who under ordinary circumstances are intelligent men, to pay some regard to the wishes of those who live in New Guinea. If they are democrats, surely they will be prepared to submit this question to the people there at a local option poll.

Mr. JOHNSON.—How is it to be done?

Mr. FRAZER.—I do not say that it will be possible to obtain an expression of the opinions of the white residents of New Guinea on any one day, but the Government have responsible officers who within a reasonable time could ascertain how the whites in that Territory view this proposal. If they declared themselves in favour of it, I would support it. But to rush wildly into the unknown is always dangerous. I hope that my honorable friends who are supporting the proposed new clause will take a more reasonable view of the situation, and allow the matter to be decided by those whom our legislation will affect.

Mr. McWILLIAMS (Franklin).—The speech to which we have just listened is of a type which we must all of us have heard and listened to on many occasions.

Mr. KELLY.—Now we are going to have another.

Mr. McWILLIAMS.—Yes, on the other side. Those who are against this proposal to prohibit the importation of liquor into New Guinea say that they are speaking entirely in the interests of the people there. That is also the attitude of those of us who advocate prohibition. But do honorable members opposite put the desires of 400 or 500 whites before the absolute welfare of 300,000 or 400,000 natives?

Mr FOWLER.—Has the honorable member any information from the natives that his policy is that of which they approve?

Mr. McWILLIAMS.—I have no information worth speaking of to show that either the present system is required or that the proposal of the honorable member for Melbourne Ports should be adopted.

Mr. FOWLER.—Do not the missionaries speak for the natives?

Mr. McWILLIAMS.—Would the honorable member take the opinion of the missionaries on the land question? Are not honorable members opposite desirous of taking their opinion only when it suits their case?

Mr. FOWLER.—Missionaries may be authorities on questions of morals, but not on land questions.

Mr. McWILLIAMS. — They may be good authorities on the effects of liquor, too. There is a black page in the history of Australia which I do not wish to see repeated in the history of New Guinea. What has been the stigma upon Great Britain's administration of countries inhabited by black populations? Has it not been a by-word with atheists that we have sent the missionary with the Bible in his hand and the trader with the rum bottle to civilize the native races off the face of the earth? Should we not be satisfied with having swept the aborigines from some of our States, and with the fact that they are fast disappearing from the others? Are those who have read the early history of Australia, and our treatment of the native races here, prepared to accept the responsibility of allowing the free sale of grog in New Guinea?

Sir JOHN FORREST.—The statements in regard to the treatment of Australian natives are very much exaggerated.

Mr. McWILLIAMS.—Those of us who have been in the interior of this country know that it is impossible to restrict the sale of liquor there. We have heard it said to-day that there have been no cases in which natives of New Guinea have taken to liquor, and that it is possible to provide against them getting it, and yet, in the first report on the Territory, it is stated that a native policeman was prosecuted for having purchased liquor and become intoxicated.

Mr. CARPENTER.—Procured, not purchased. It might have been given to him.

Mr. McWILLIAMS.—For the purposes of my argument it does not matter whether he bought it, stole it, or had it given to him. Those who oppose prohibition say that the natives of New Guinea do not take liquor, and that therefore it is safe to allow public-houses to be opened there. Others say, "We are prepared to allow the sale of liquor under Government control." In a new territory like New Guinea I have no more faith in the system of State control than in the system under which a private man, who may be better and more honest than a Government agent, sells under a licence.

Mr. DAVID THOMSON.—A licensed publican would have an incentive to sell drink which a Government officer would not have.

Mr. McWILLIAMS.—There would always be an incentive to sell. Does the honorable member think that absolutely perfect men would go into the wilds of New Guinea to act as Government agents for the sale of liquor? We know that if permission to sell is given it must be given to the ordinary traders, to those who have been bargaining and trafficking in the islands for years, and who, in many cases, have been a curse to the natives. I am not willing that the natives should be placed at their mercy. I shall not discuss the question of prohibition now as I would discuss it if it were proposed to apply it to the Commonwealth. If the Federal Parliament had the power to make laws relating to the sale of intoxicants, it would be a fair question to raise here. Modern scientific investigation has shown that alcoholic liquors are not absolutely required in any part of the world. The honorable member for Kalgoorlie spoke about the medical testimony on this subject, but if he will take the writings of some of the ablest men who have investigated it—men like Dr. Richardson—he will find that his theories are somewhat like the medicines of the celebrated Dr. Muggins, who "came in haste" and "suited his physic to his patients' taste." We have to take into consideration, not the drinking habits of 400 or 500 whites, but the future welfare of 300,000 or 400,000 natives. When the Federal Parliament—in my opinion very unwisely—took over the control of New Guinea, it assumed the greatest responsibility that it is likely to have for many years to come. The welfare of the natives of that Territory is now absolutely under our control, and I, for one, am not prepared to take the responsibility of allowing liquor to be sold there as it is sold here, with the effect, perhaps, of wiping them out of existence. I think the safest plan is to prohibit the sale of intoxicating liquor in New Guinea, excepting under the safeguards which are provided. There is not a man to whom alcoholic liquor in any form has become a necessity who would, under the proposed amendment, be deprived of it. We wish, however, to prevent the free sale of intoxicating liquor to the whites, and consequently, as a matter of actual practice, to the blacks also. We prohibit the sale of liquor to our aborigines, and yet will any honorable member say that the law has proved effective.

Sir JOHN FORREST.—Except in the towns it is practically effective.

Mr. McWILLIAMS.—It would not be possible for us to so police Papua as to prevent the sale of liquor to the natives. We should require to keep white policemen stationed in the neighbourhood of every licensed house.

Mr. DAVID THOMSON.—Black policemen, and not white policemen, would be required.

Mr. McWILLIAMS.—If the honorable member had read one report of the Administrator he would know that black policemen are paid at the rate of £1 per annum, and that in no instance has a native policeman laid a complaint against any one in his own village. Prosecutions have been entered upon at the instance of others.

Mr. KELLY.—Does the honorable member suspect that orgies have been going on?

Mr. McWILLIAMS.—I suspect that black policemen would be no better than white policemen, so far as the suppression of the illicit trade in liquor is concerned.

Mr. KELLY.—The honorable member is putting his suspicion against the whole weight of the evidence.

Mr. McWILLIAMS.—The honorable member adduced some evidence, which I think he would have done better to leave alone. He quoted the opinion of one missionary, to the effect that the natives would not acquire a taste for liquor, but that if they once did so, nothing but absolute prohibition would save them.

Mr. KELLY.—I think that he said, "If the liquor got to them."

Mr. McWILLIAMS.—Yet the honorable member has quoted that evidence in support of his argument in favour of taking the liquor to the natives.

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Mr. KELLY.—It is stated that liquor does not reach the natives at present.

Mr. McWILLIAMS.—The testimony of the missionary in question was to the effect that the natives do not like liquor, but that if they once did take to it, nothing but prohibition would save the race. Now, the honorable member for Wentworth is practically advocating that we should first of all afford opportunities to the natives for acquiring a taste for liquor, and becoming drunkards, and afterwards prohibit its sale in the Possession. I intend to vote for the proposal of the honorable member for Melbourne Ports, with a view to preventing, as far as possible, any liquor reaching the natives. State control, so far as this matter is concerned, would be an absolute farce, because the liquor sold by Government agents would prove as deleterious as that supplied by private persons.

Mr. SKENE.—What inducement would be offered to Government agents to sell liquor to the natives?

Mr. McWILLIAMS.—The Government agent would make his own profit on the sale of the liquor, and would have plenty of inducements to engage in illicit trade. I believe that any proper system of control over the liquor traffic in British New Guinea would prove too costly, and, therefore, I think that we had better prohibit its introduction into the Possession.

Mr. HUTCHISON (Hindmarsh).—I find myself in a rather awkward position, owing to the amendment moved by the honorable member for Herbert. Generally, I am a strong advocate for the State control of the liquor traffic, not only in British New Guinea, but throughout the Commonwealth. In regard to New Guinea, however, I strongly favour absolute prohibition. As an alternative, I should be disposed to support the amendment of the honorable member for Herbert, but I find that I shall be precluded from adopting that course. Therefore, I intend to support the proposal of the honorable member for Melbourne Ports. I think that liquor, except so far as it may be required for medicinal purposes, should be excluded from British New Guinea. If provision is made in that direction, the white residents will be able to obtain all the liquor that is good for them, and we must trust the supervision exercised to prevent abuses. The honorable member for Kalgoorlie has said that we should accept the opinions of the missionaries upon this matter; but I attach no value to them. In the first place, the missionaries expressed an opinion with regard to the land question, which, if it had been followed, would have entirely changed the character of our legislation on that subject. In the second place, they have to keep on good terms with the few white residents in the Possession, because the population is not sufficiently large to enable them to occupy an independent position. The honorable member for Fremantle has expressed himself in favour of local option. That is another principle in which I believe; but I do not see how it can be applied to the circumstances of British New Guinea. If we granted local option to the mere handful of white people who are settled in the Territory, the traffic carried on with their approval might prove highly prejudicial to the natives. The natives could not express a proper opinion on a traffic they did not know much about. It is all very well to say that at present the natives no not obtain liquor, but I feel sure that the experience gained in every other country with an inferior native population will, sooner or later, be repeated in New Guinea. In South Australia hotel-keepers and others are prohibited from supplying liquor to aboriginals, but aboriginals the worse for liquor are frequently seen.

Sir JOHN FORREST.—That occurs only in a very few cases.

Mr. HUTCHISON.—If the right honorable gentleman went to Thursday Island, where the restrictions upon the sale of liquor are very drastic, he would find the kanakas openly frequenting the public-houses, right under the eyes of the police officials.

Mr. R. EDWARDS.—The honorable member is quite wrong.

Mr. HUTCHISON.—The honorable member cannot know what he is speaking of if he says that.

Mr. R. EDWARDS.—Has the honorable member ever been there?

Mr. HUTCHISON.—I contend that ample proof has been afforded of the correctness of my statement. Perhaps the honorable member will say that the kanakas at Bundaberg have not acquired a taste for liquor? They actually take charge of the town at times. I feel sure the honorable member for Herbert will admit that the restrictions imposed upon the sale of liquor are being abused at Thursday Island. As a matter of fact, they are being abused

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in every capital throughout the Commonwealth. In view of the fact that we cannot adequately police such a large territory as New Guinea, the unrestricted importation of intoxicants into the Possession must prove disastrous in the extreme. I look upon the natives of that Territory just as I do upon my own children. So far as the liquor traffic is concerned, they are absolutely unsophisticated. They do not know the effects of strong drink, and it behoves us who do to see that the evils which have been perpetuated in other parts of the Empire do not obtain root there. I cannot vote in favour of local option, or of a proposal to bring the traffic under State control, seeing that there is an opportunity to obtain prohibition.

Mr. BROWN (Canobolas).—When this matter was formerly under discussion it was debated at considerable length upon the information which was then at our disposal. We are now in possession of further information in the shape of reports from various missionaries in New Guinea, who ought to be specially interested in the question. The striking feature in connexion with these reports is that, with one or two exceptions, their authors are absolutely opposed to prohibition. They seem to think that such a system could not be enforced, and they certainly possess local knowledge to which honorable members cannot lay claim.

Mr. MAUGER.—Their statements in regard to land-leasing are also based upon their local knowledge.

Mr. BROWN.—But I am dealing with the question of liquor traffic. Whilst it is true that we must pay a certain amount of regard to the interests of the 600 white settlers in New Guinea, we have a special duty to perform towards the 460,000 natives of that Territory. I do not think that the strongest opponent of the proposal of the honorable member for Melbourne Ports will argue that intoxicating drink is good for the natives. Although it may be urged that it is beneficial to the white population, and that climatic conditions are such as to require the use of a stimulant, it is our duty if possible to prevent the introduction of the drink curse amongst the natives of New Guinea. We cannot fail to recognise that every inferior race with which we have been associated—and Anglo-Saxons have been the greatest colonizing influence of modern times—has gone down before us. In Australia we have very striking evidence of the dire effects of the drink traffic. The native population of this continent—although they occupied a very low position in the scale of civilization—were not addicted to the drink habit in any shape or form. But as soon as they came into contact with the white races they acquired the habit as if they had behind them the hereditary tendency of centuries. The result is that they have completely disappeared from centres which, within the memory of white people, were densely populated by them. What reason have we to suppose that similar results will not follow the introduction of intoxicants into New Guinea? Some honorable members would have us believe that the natives of the Possession are differently constituted from those of other places. I refuse to believe that. They will be degraded and demoralized by drink just as readily as were the aboriginal natives of Australia. I know that, in the early days, drink was frequently employed in Australia for the purpose of purchasing aboriginal labour.

Sir JOHN FORREST.—Has the honorable member any evidence that there was much of that sort of thing?

Mr. BROWN.—There was a good deal of it.

Sir JOHN FORREST.—I do not think so.

Mr. BROWN.—I know that in the early days the services of aborigines upon stations were paid for not in money but in rum.

Mr. DAVID THOMSON.—Where?

Mr. BROWN.—In my own State.

Sir JOHN FORREST.—More natives died from disease than from drink.

Mr. BROWN.—There is no doubt that disease claimed a certain number of victims, but the fact remains that drink was the more potent influence in demoralizing and destroying the natives. I do not desire that there shall be a repetition in New Guinea of that which any one may see taking place wherever aborigines are to be found in Australia. I have met with hundreds of natives in my time, but in the whole of my experience have known of only a native here and there who was not addicted to drink, and prepared to sell his soul for a glass of grog. I do not desire a repetition of this state of affairs in Papua, and I therefore propose to repeat the vote for prohibition which I gave when the Bill was before us last session. It may be true that the principle cannot be enforced in Papua; but no one can speak authoritatively on the point until we have given it a fair trial. If as the result of our experience we find that pro-

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hibition cannot be applied to the Territory, it will be open to us to adopt some other system to cope with the evil. I believe that the most effective course to adopt would be that of placing the traffic under State control. Whilst the missionaries, whose evidence has been placed before us, are opposed to prohibition, they show that the present system is far from what could be desired. They claim that the drink traffic has not extended to any perceptible degree to the coloured races, but they admit that it is having a demoralizing effect on the white residents, and therefore its indirect influence on the natives must also be demoralizing. They tell us of scenes that are enacted on the gold-fields which certainly are not creditable, and I think we should endeavour to put an end to them. In the interests of the coloured races of British New Guinea I propose to vote for prohibition. If the experiment proves to be a failure, I shall then be ready to join with others in an effort to meet the evil in some other way.

Mr. R. EDWARDS (Oxley).—I should not have spoken, but for the statement made by the honorable member for Hindmarsh that at Thursday Island and Bundaberg there were kanakas in charge of hotels. I wish to deny that assertion. The liquor laws of Queensland are even stricter than are those of Victoria. From many years' experience as a licensing magistrate, I can say that a license is not issued to either a kanaka or any other coloured person in Queensland. When this Bill was before us last session I voted for the proposed new clause, and I intend to do so again, unless it be withdrawn in favour of that foreshadowed by the honorable member for Cowper.

Mr. Mauger.—We agree to the honorable member for Cowper's proposal.

Mr. R. EDWARDS.—I understood on Friday last that the honorable member for Melbourne Ports had withdrawn his amendment.

Mr. Mauger.—I was not allowed to do so.

Mr. R. EDWARDS.—Perhaps the proposed new clause foreshadowed by the honorable member for Cowper would be an improvement on that moved by the honorable member for Melbourne Ports, although I think that the latter would carry out the object that we have in view. The principle of prohibition, which we have been discussing, has been advocated for many years, and I regard it as a very important one. We are now passing a law for the administration of a new Territory, and I think we should avail ourselves of the opportunity to put the principle to the test, and see how it will work. Papua, so far, is inhabited by a few hundred white persons, and some hundreds of thousands of native races, and I think that we ought to put the principle of prohibition to the test before any vested interests are created there. It would be difficult, for instance, to apply prohibition to Victoria, because of vested interests.

Sir John Forrest.—And it would be inconvenient for many of us.

Mr. R. EDWARDS.—No doubt it would. Like the right honorable member for Swan, I occasionally take spirits for medicinal purposes. We are told in the Scriptures that we should use a little wine for our stomachs' sakes. I hope that honorable members will vote as they did last session for the proposed new clause, for I believe that it would improve the Bill to a very great extent.

Question—that the words "under Government control" proposed to be inserted be inserted—put. The Committee divided.

Ayes	24
Noes	32
Majority	8

Ayes.

Bamford, F. W.	Skene, T.
Carpenter, W. H.	Smith, B.
Conroy, A. H. B.	Spence, W. G.
Deakin, A.	Thomson, D.
Edwards, G. B.	Thomson, D. A.
Forrest, Sir J.	Watkins, D.
Fowler, J. M.	Watson, J. C.
Kelly, W. H.	Webster, W.
Kennedy, T.	Wilson, J. G.
Liddell, F.	
Page, J.	*Tellers:*
Reid, G. H.	Frazer, C. E.
Ronald, J. B.	Robinson, A.

Noes.

Batchelor, E. L.	Maloney, W. R. N.
Bonython, Sir J. L.	Mauger, S.
Brown, T.	McColl, J. H.
Chapman, A.	McDonald, C.
Cook, J.	McLean, A.
Cook, J. N. H. H.	McWilliams, W. J.
Culpin, M.	Poynton, A.
Edwards, R.	Smith, S.
Ewing, T. T.	Storrer, D.
Fisher, A.	Thomas, J.
Fysh, Sir P. O.	Tudor, F. G.
Gibb, J.	Wilkinson, J.
Glynn, P. McM.	Wilks, W. H.
Hutchison, J.	
Johnson, W. E.	*Tellers:*
Lee, H. W.	Crouch, R. A.
Lonsdale, E.	Groom, L. E.

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PAIRS.

Turner, Sir G.	McCay, J. W.
Chanter, J. M.	Isaacs, I. A.
Harper, R.	Fuller, G. W.
Higgins, H. B.	Kingston, C. C.
Hughes, W. M.	Knox, W.

Question so resolved in the negative.

Amendment negatived.

Mr. CARPENTER (Fremantle).—I hope that we shall not take a vote upon the question now before the Committee under a misapprehension. Some honorable members voted in the last division in favour of State control as an alternative to prohibition. I have previously indicated that I desire to see the principle of local option applied in British New Guinea. We shall thus ascertain the opinion of those who are most concerned, and who have the right to say whether liquor shall be introduced or not. The white population of New Guinea ought to be consulted. I desire, therefore, to move an amendment with the object of providing that a poll of the white inhabitants shall be taken in order to ascertain their wishes. I move—

That after the word "except" the words "by consent of the European residents" be inserted.

I think that on that amendment we can test the question as to whether local option should be allowed.

Mr. THOMAS.—The honorable member will not test local option by his amendment.

Mr. CARPENTER.—I think I shall, and if the honorable member for Barrier does not believe that my amendment will cover the question he can move some other. I believe that we should consult the white residents of the Territory before we impose upon them something which we would not permit any one to impose upon us without our consent first being asked.

Mr. LEE.—I desire to raise the question whether the amendment moved by the honorable member will not interfere with the amendment of which I have already given notice.

The CHAIRMAN.—The honorable member for Cowper has circulated a new clause. Does the honorable member desire to move his new clause as an amendment upon the clause before the Committee? I point out to the honorable member that after the amendment moved by the honorable member for Fremantle is disposed of, it will be quite competent for him, if that amendment is not carried, to move his proposed new clause, with a slight alteration, as an amendment of the clause before the Committee.

Mr. JOSEPH COOK.—I understood the honorable member for Cowper to suggest that his proposed new clause might be taken as an amendment of the clause before the Committee. If I remember rightly, it was so framed as to suggest the omission of all the words after the word "that" in this clause, with a view of inserting the words which the honorable member proposes.

The CHAIRMAN.—I point out to the honorable member for Parramatta that, by a division on an amendment submitted to the Committee, the words of the clause before the Committee down to the word "except," have been agreed to, and, under our Standing Orders, it is not competent for an honorable member to move an amendment on a previous part of the clause.

Mr. JOSEPH COOK.—It is surely a well-known rule that a prior amendment should be given preference.

The CHAIRMAN.—I point out to the honorable member that I have in my hand the proposed new clause circulated by the honorable member for Cowper, and it is not to be submitted as an amendment upon the clause proposed by the honorable member for Melbourne Ports.

Mr. THOMAS (Barrier).—I am opposed to the amendment submitted by the honorable member for Fremantle, because of the use of the word "European." The drink question is of as much importance to the black people in New Guinea as it is to Europeans.

Mr. REID.—Under the existing law the giving of drink to the blacks is prohibited.

Mr. THOMAS.—If the word "European" is left out of the amendment, I shall be prepared to support it.

Mr. CARPENTER.—I am for prohibition so far as the natives are concerned.

Mr. THOMAS.—I am not prepared to allow the 600 whites who are said to be resident in New Guinea to vote on this question, if a vote on it is denied to the 460,000 natives to whom the matter is of just as much importance. I am not opposed to the principle of local option, but I do not think the amendment will give effect to that principle.

Mr. WILSON (Corangamite).—The honorable member for Barrier has thrown a new light upon democracy in suggesting the exercise of local option by the natives of New Guinea. I have considerable sympathy with the amendment proposed by the honorable member for Fremantle, that there should be some form of local option amongst

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the white residents of New Guinea. I think, however, that it must be confined to the white residents. I had drawn up an amendment on much the same lines by way of addition to the clause proposed by the honorable member for Melbourne Ports. In framing legislation, we should look, not only to what has gone before, but to what is likely to follow, and I remind the Committee that the honorable and learned member for Bendigo has circulated an amendment, which it is proposed to move later on, providing that no liquor of any kind shall under any circumstances be distributed amongst the black population.

Mr. CARPENTER.—We can all support that.

Mr. WILSON.—I am satisfied that the honorable member will be prepared to support that, and I hope that support will be given to the honorable member's amendment.

Mr. WILKINSON (Moreton).—I have some doubt whether the amendment proposed by the honorable member for Fremantle will take in the whole of the white residents in New Guinea. The amendment appears to me to limit the local option vote to Europeans. I am aware that there are American citizens resident in New Guinea who would not thank any one who referred to them as Europeans. If the honorable member proposed that the consent of all white residents, or of all residents of European descent must be obtained, it might overcome my objection. I believe that the amendment as submitted does not cover all the ground that should be covered.

Mr. JOHNSON (Lang).—The amendment is absolutely impracticable. It would be impossible to take a local option vote of the white population of New Guinea under existing conditions.

Mr. WATSON.—Could it not be done by the post?

Mr. JOHNSON.—It could not be done, because the white population is so scattered. and special machinery would have to be provided. I would ask honorable members to consider how long it would take to secure a vote of the white residents of the Territory. It would take about twelve months to have a poll, but if it only took a week, a day, or an hour, what about the 460,000 other people who ought to be considered—the native population whom it is our bounden duty to protect from the drink evil? It is all very well to talk about local option, but the black people who will be affected have as much right to consideration as have the whites. I am surprised to hear a proposal to give control to a small minority of white people in a matter so closely related to the physical and moral welfare of the large majority of the inhabitants of the country.

Mr. FRAZER.—Does the honorable member favour a poll of the natives?

Mr. JOHNSON.—No; because the natives would not know what they were voting about. The proposal before us is a farce.

Several honorable members interjecting,

The CHAIRMAN.—I am very sorry, indeed, to have to again call honorable members' attention to the fact that it is very exhausting to be continually calling them to order. I do not know why this question should cause so much excitement, and I hope honorable members will discuss it calmly.

Mr. BROWN (Canobolas).—With all respect, I must say that I regard the proposal as a travesty upon local option. It is proposed to give 500 or 600 white people in New Guinea the right to decide the liquor problem for half a million other residents.

Mr. CARPENTER.—The proposal is that the white people shall decide the matter for themselves only.

Mr. BROWN.—How can the question be limited to the white people? The only point is as to how the liquor traffic is likely to affect the black population; if the proposal be confined to the whites there is no problem to solve. We have to look after the interests of the black population, which numbers about 500,000, as against 500 white settlers. When the House was asked a little while ago to give the white population the right to elect members of the Legislative Council, we were told that it would be impossible, owing to the scattered settlement of the white population, to secure anything like a proper expression of opinion.

Mr. FRAZER.—Did the honorable member vote against giving that power to the white population?

Mr. BROWN.—No; I am prepared to give the system a trial, but I am not prepared to allow 500 people to legislate for 500,000.

Mr. WATSON.—The white people will legislate only for themselves; there is no question as to the inadvisableness of supplying the natives with liquor.

Mr. BROWN.—If that can be guaranteed, I shall be prepared to fall in with

the proposal, but I am not clear on the point.

Mr. WATSON.—A clause could be inserted to that effect.

Mr. BROWN.—As to the suggested new clause by the honorable and learned member for Bendigo, what does it mean but the regulations which obtain at the present time? When I have regard to the great mass of the population of New Guinea, in regard to whom we have special responsibilities, the proposal presents itself to me as a travesty upon local option.

Mr. SPENCE (Darling).—We have got into a mixed condition in regard to the amendments before us. Honorable members are unanimously in favour of prohibiting the sale to the coloured population, who could not reasonably be consulted as to whether they should or should not be permitted to drink.

Mr. REID.—The sale of drink to natives is at present prohibited by law.

Mr. SPENCE.—And consequently the natives are not in a position to judge from experience whether drink is good or bad for them. It is also very well known that the coloured residents do not encourage the visits of white men.

Mr. WATSON.—Except for cannibalistic purposes.

Mr. SPENCE.—A few white men were tasted, and were judged to be very acceptable. The natives have very decided alien restriction legislation, so that there is very little inducement for visits from white men. One adult one vote is a sound democratic principle, but it appears that we have to give it up because of our inability to reconcile it with other legislation we have passed. I agree with the honorable member for Canobolas, that it seems rather extraordinary that we should have refused the white residents the power to elect their own Government and deal with their own affairs, while in the matter of the liquor traffic we are invited to allow them to decide for themselves. I voted previously for the State control of the liquor traffic, because I thought that the most practicable method; and the mover of the amendment, if he favours a vote of the white people—which I am not disposed to oppose—ought to provide that they shall decide whether there should be State control. If the power be given to the white residents, I desire to see it provided that they may decide whether there shall be prohibition or State control of the liquor traffic, though they have already been denied a measure of self-government. I am sure that none of us would like any outside body to interfere with the liquor traffic so far as it concerns ourselves, because, while such interference might not affect all of us personally, there is a principle involved. I am opposed to an unrestricted liquor traffic in New Guinea, and desire it to be made clear that no drink shall be sold to the natives.

Mr. REID (East Sydney—Minister of External Affairs).—I think it is quite clear, from the last division, what is the sense of the Committee, and I hope we shall not waste any more time.

Mr. WATSON (Bland).—With all respect to the Prime Minister, this is such a serious question, having regard to New Guinea and its development, that while we certainly should not waste time——

Mr. THOMAS.—Does the honorable member think that the development of New Guinea depends on whisky?

Mr. WATSON.—Not on whisky alone; but, judging by the evidence of those who know New Guinea, as neither myself nor the honorable member does, it is evident that they think the point of immense importance.

Mr. MAUGER.—They said the same about the land question—that if we dealt with that question as we proposed, we might as well "shut up" New Guinea.

Mr. WATSON.—I do not think they have said that.

Mr. MAUGER.—I can assure the honorable member that they have.

Mr. JOSEPH COOK.—This law will not be unalterable.

Mr. WATSON.—I suppose not. But whilst it is not necessary to waste time, I think that the suggestion that a poll of the white residents of New Guinea should be taken might be reasonably considered by those who desire that liquor shall not be imported into the Territory. Whether it be limited to them or not is a matter of detail, though I do not think that there is any practicable value in the suggestion of the honorable member. With regard to the remarks of the honorable member for Canobolas, the law at present prohibits the supplying of liquor to natives, and if local option is carried it can be made clear that the prohibition affecting natives will still be retained in the Constitution. I hope that honorable members will take this matter into earnest consideration. What we are concerned with is not so much the giving of

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effect to an abstract idea as the practical working out of the destinies of New Guinea.

Mr. ISAACS.—We do not know exactly what the amendment is.

Mr. WATSON.—The effect of the amendment suggested by the honorable member for Fremantle is that prohibition shall not be operative unless approved by a majority of the white residents of New Guinea.

Mr. THOMAS. — European residents! That will shut out Australians.

Mr. WATSON.—That is a quibble which I did not anticipate from the honorable member. We can, however, speedily remedy that mistake.

Mr. MAUGER (Melbourne Ports).—I hope that the Committee will not accept the amendment. We have obtained the opinions of white men in the Territory in regard to both this question and the land question, and it is notorious that the opposition to the proposals of the Government in regard to the land question embodied in the Bill is so strong that that expression of opinion has not been printed.

Mr. WATSON.—I do not think that that is so, from what I have heard.

Mr. MAUGER.—I am stating a fact.

Mr. WATSON.—I do not think that it is a fact.

Mr. MAUGER.—The views of the settlers in regard to the liquor question have been published, but not those in regard to the land question. Has the honorable member for Bland seen them?

Mr. WATSON.—I have ascertained that the majority of the people there have taken no action in these matters.

Mr. MAUGER.—If the honorable member will go through the papers he will see that my statement, that the opinions expressed against the leasing of land are so strong that the Government have refrained from publishing them, is correct.

Mr. SPENCE.—How many expressed an opinion?

Mr. MAUGER.—As many as expressed an opinion on the liquor question.

Mr. SPENCE.—That is very few.

Mr. MAUGER.—There are even more important questions than the liquor question in regard to which we are voting without first asking the opinion of the white residents of New Guinea, whom our legislation will affect. As New Guinea is a black man's and not a white man's land, it is our first duty to preserve the native population, and I hope the Committee will reject the amendment in order to secure the object which we have in view, the prohibition of the importation of liquor.

Mr. FOWLER (Perth).—The speech of the honorable member for Melbourne Ports was marked by that lack of reasoning, and that absence of logic which has characterized the speeches of those who have advocated the policy with which he is associated. He tried to show an analogy between a land policy and what is a matter of personal taste. The question of land alienation is one with which we can deal broadly in the interests of the natives, of the white population of New Guinea, and of Australia as a whole. The liquor question, however, is a different matter. I think that any reasonable community will agree that the individual should decide for himself whether he will drink alcoholic beverages, or be contented with water, and I intend, therefore, to support the honorable member for Fremantle in proposing what I thought embodied the whole principle for which reasonable teetotallers have fought.

Mr. ROBINSON (Wannon).—I hope that the amendment of the honorable member for Fremantle will be carried, and that the Committee will not allow themselves to be bluffed by the honorable member for Melbourne Ports, or led astray by the honorable member for Canobolas. The clauses of which the honorable member for Bendigo has given notice should be sufficiently stringent to please the most restrictive-minded individual in the community. The first of those clauses prohibits the supplying of liquor to the natives, and the second empowers any Government officer to confiscate liquor found in the possession of the natives, while there are penalties ranging up to two years' imprisonment for any infraction of these provisions. Surely those who are to be affected by this legislation should be permitted to express their opinion upon it. Could anything be more unreasonable than for seventy-five men who are never likely to go to New Guinea to say what the white persons there are to eat or drink?

Mr. JOHNSON.—What about the other provisions in the Bill?

Mr. ROBINSON.—For the past nine months the honorable member for Lang and one or two others have been asking for unrestricted liberty, but when one scratches the Russian he discovers the Tartar, and we now find that no one is more desirous of putting restrictions upon individual liberty than are these honorable gentlemen.

It is a most astonishing thing to me to find the honorable members for Lang and Cowper advocating the most extreme restrictionist policy which could be imagined. The extent to which they are carrying their ideas is indicated by the fact that they are prepared to prevent white settlers from having any voice as to what liquor they shall consume. Notwithstanding that a Local Option Bill has been described as a measure to permit one man to prevent another man from having a glass of grog, yet there is a good deal to be said in favour of the principle. But those honorable members do not believe in local option. All they wish to do is to prevent other persons from satisfying a natural desire.

Mr. MAUGER.—An unnatural desire.

Mr. ROBINSON.—Wherever the honorable member can rope a man in and pin him fast to some idea, he will. It saddens me to see my honorable friends on this side who have been such ardent champions for liberty refusing to grant ordinary liberty to the people of New Guinea. I am informed that those on this side who voted for the prohibition amendment say, "In this Constitution, we have refused a vote to the white settlers," and on that analogy they attempt to argue that therefore prohibition is necessary on the island. A more confused idea of logic I have never yet heard.

Mr. MAUGER.—If honorable members will not give the people of the island a vote for everything, why give them a vote with respect to one thing?

Mr. ROBINSON.—I am quite prepared to trust the Executive Council of the Territory; but the honorable member will not go to that length. Any one who has read the printed evidence carefully and dispassionately must come to the conclusion that the existing restrictions are sufficient for any reasonable-minded man; with one exception, every clergyman and missionary said that they are. A considerable number of missionaries and clergymen said that, although they had been strict teetotallers on the Continent, yet the climate of the island was such that a glass of alcoholic liquor under some circumstances was absolutely essential. In spite of that evidence, honorable members insist upon thrusting their ideas on the people of New Guinea. Like most honorable members, I was approached at the last general election by the party advocating prohibition, and this local option amendment meets exactly the views which I then advocated.

Mr. MAUGER.—The temperance party in Victoria is against anything of the kind. It is confusing principles when the honorable and learned member says that this is a local option amendment.

Mr. ROBINSON.—When I was questioned at the last general election as to this vote, I took an attitude which I can fit in exactly with this local option amendment. I said that I should allow the white residents to decide whether they should have liquor or not, but that I would prohibit liquor being supplied in any form to the natives, and empower the Government to fine in the heaviest possible manner any person found guilty of that offence, and to confiscate the liquor. The amendment before the Chamber carries out the idea here. I then expressed myself as being in favor of local option, and the amendment which the honorable and learned member for Bendigo has given notice of will carry out the other idea. Those who believe in temperate living, and in a temperate consumption of alcoholic liquor as I do, ought to support the amendment. Only upon one occasion since I have been a Member of Parliament, which has been for about three years, have I consumed liquor in Parliament House, and that was when three gentlemen who have just voted for total prohibition, persuaded me to join them.

Mr. TUDOR.—What did they have?

Mr. ROBINSON.—They had whisky, and I had a "soft" drink. While I am temperate in the consumption of liquor, I am also temperate in applying my temperance principles to other persons. When I joined those three prohibitionists, I did not seek to force my will upon them. They wanted alcoholic drink, and I let them have it. All I asked for was that I should be allowed to have a temperance drink, and I took it. The amendment of the honorable member for Fremantle ought to be supported by reasonable-minded men who believe in temperance, live temperately, and wish to see other people doing the same. Coupled with the amendment given notice of by the honorable and learned member for Bendigo, it should remove all reasonable ground for suspicion that the natives might be injured by the consumption of liquor in any shape or form.

Mr. STORRER (Bass).—I intend to oppose the amendment, because, on general principles, I am in favour of local option. If it were to be applied to Australia, I should be quite satisfied; but the Prime

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Minister stated the other day that we in Australia would have to consider the welfare of the 400,000 natives in British New Guinea, and not the 600 white settlers, who had gone there principally to do the best they could for, and who were quite prepared to look after, themselves. I take it that the country belongs to the natives, and that if drink is likely to injure them in any form, we should not sanction the introduction of drink merely for the sake of pleasing the 600 white settlers. The recent division indicated very plainly the opinion of the Committee on this subject. I do not speak merely as a total abstainer, but I look upon this question as one which demands that we shall pay regard to the interests of the majority of the people concerned. The honorable member for Kalgoorlie has stated that the majority of the people are entitled to have their wishes respected. In this case we represent the majority of the people—the 400,000 natives who live in the Possession—and we are bound to legislate in their interests. We are told that the natives are not able to obtain drink, and that there is no danger of opportunities being presented to them for cultivating a taste for it. We have evidence, however, that some of the natives do obtain drink.

Mr. Carpenter.—Only one case of that kind is reported.

Mr. STORRER.—No doubt there have been many others, because, as has been pointed out, it would have been impossible for the white residents in Papua to consume all the liquor imported into the Possession. It is a pity that confusion should have arisen, and that honorable members were not free to vote for the amendment of the honorable member for Herbert as an alternative to the proposal contained in the clause as proposed by the honorable member for Melbourne Ports. I trust that whatever may be the opinions of honorable members with regard to local option as a broad principle, they will not think of applying it to the case of New Guinea, but that they will fully consider the claims of the blacks to protection from the evils of the drink traffic.

Mr. KING O'MALLEY (Darwin).—If the local option principle were applied to the case of New Guinea, the 600 white residents would have the right to impose drink upon the 400,000 natives.

Mr. Wilson.—No; there is an ordinance at present prohibiting the sale of liquor to the natives.

Mr. KING O'MALLEY.—Am I to understand that the 400,000 blacks are to have votes—that the missionaries in the stomachs of the cannibals will be entitled to vote on this question? The white residents should not be permitted to shape and mar the destinies of the 400,000 natives. The white residents went to New Guinea to better their financial positions. They did not go there for their health, or because of their love of country, or of the blacks. They went there to make a profit out of the blackfellows, and they are entitled to exactly the same rights as the natives enjoy, and no more.

Mr. Fowler.—Are the red Indians in the United States entitled to vote?

Mr. KING O'MALLEY.—No; and they are not allowed to have drink.

Mr. Wilson.—Nor are the natives of British New Guinea.

Mr. KING O'MALLEY.—If any man supplies an Indian with drink, he is very quickly transferred to dry Tartugas. There is no analogy between the cases in the United States which embraces a well-administered territory 4,000 miles long by 3,400 miles broad, and that of Papua. British New Guinea is far removed from the centre of government, and we should not permit the few white people there to run the country. I shall vote against permitting 600 white men to poison 400,000 natives. If the white settlers are not satisfied to live in New Guinea they should leave it.

Sir JOHN FORREST (Swan).—I do not wish to prolong the debate, but I have heard so much with regard to the dire results to the natives that are expected to follow the sale of intoxicants to white persons in British New Guinea, that I desire to say a word or two. I believe that for every aboriginal who has died in Australia from the effects of alcohol fully a hundred have succumbed to diseases brought here by the white race. I have had some experience, and I have lived long enough to know how the aborigines in the settled districts of Western Australia were almost removed from the face of the earth. If other honorable members are old enough to remember the conditions under which the aboriginals in other States have been decimated, they will bear me out when I say that the evils of drink, so far as they apply to the aborigines, although regrettable, have been overstated. I remember that, when I was a boy, many hundreds of aborigines died from a very severe epidemic of measles. Influenza

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also carries them off in large numbers every year. The havoc wrought amongst them by disease has been far greater than that which has resulted from the use of strong drink. Of course, in some of the towns decrepit and demoralized aborigines are to be seen, but these bear no comparison to the many hundreds of aborigines to be found in other parts of the State, who know little about strong drink. In the northern parts of Western Australia, of which I have personal knowledge, except for a few aborigines who are to be found in the towns, the natives obtain no strong drink whatever. The natives along the north-west coast and in the Kimberley district, except in a few towns, have no means whatever of obtaining intoxicants, and the laws are very stringent in punishing any one supplying it to them. It is very easy to make sweeping statements to the effect that our aborigines have been decimated owing to the excessive use of intoxicants, but in comparison with other influences which have tended to thin their ranks far fewer deaths can be attributed to the drink evil. Statements have been made, which I do not care to pass unchallenged, in reference to the terrible cruelties practised upon the aborigines by the pioneers of this continent. I should like to place those wise-acres who talk so glibly in that manner in the position of the early settlers of Australia, and to see how they would act in face of the trials, difficulties, and dangers by which they were confronted. It is all very well for the honorable member for Franklin to talk about a "black page" in our history, but he should recollect that in making observations of that character he is reflecting upon those whom we are most proud of. I have no sympathy with the desire of the total abstainers in this House, who wish to apply their theories to the far-off country of New Guinea. I think it would be much more reasonable if they sought to give effect to their principles much nearer home. Most of us possess very little knowledge of New Guinea, and apparently some honorable members are not prepared to respect the opinions of those who have had experience of it. I regard the proposal under discussion as altogether too drastic in character. I do not see why we should prohibit the importation of intoxicants into the Territory, for the use of the white population, seeing that in other parts of the Pacific Ocean, where the aborigines have come into contact with white men under British rule, effect has not been given to such an extreme proposal. I do not know that the Fijians have been decimated owing to intoxicants being sold to white persons in the islands which they inhabit, under strict supervision. Of course, nobody desires that the natives should be allowed to obtain drink, nor does any one wish to see the aborigines injured. I am very glad indeed to find that honorable members are animated by such a strong feeling of brotherly love for the natives of New Guinea. It, however, contrasts strangely with the sentiments which I have heard so often expressed upon previous occasions with regard to coloured races. Personally, I see no reason why a resident of New Guinea should be absolutely prevented from keeping within his own house whatever wines, spirits, or beer he may require.

The CHAIRMAN.—I would remind the right honorable member that the proposal under consideration has reference to local option.

Sir JOHN FORREST.—I prefer local option to no option at all, and, therefore, I shall support any proposal in preference to one for the enforcement of absolute prohibition.

Mr. WILKINSON (Moreton).—It seems to me that this question resolves itself into whether seventy-five members of this House —most of whom know little or nothing of the conditions obtaining in New Guinea—are going to declare that intoxicants shall not be introduced into the Territory, or whether the 500 or 600 white residents there shall be allowed to determine the matter for themselves. I am of opinion that it would be safer to adopt the latter course, and consequently I shall support the amendment of the honorable member for Fremantle. A great deal of false sentiment has been uttered in reference to this question. As an Australian of fifty years' standing, I repudiate a good deal of what has been said concerning the treatment of the aborigines, and, in this connexion, I can indorse most of the remarks of the right honorable member for Swan. When we speak of loving these people, I should like to ask what love they have exhibited for us? We have taken their country from them, and the universal law of the survival of the fittest has prevailed. Despite all the sentiment in which we may indulge, the fact remains that the white man has gained permanent possession of Australia and

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of New Guinea. I have no desire to unduly hurry the departure of the black man. On the contrary, I wish to see him accorded all the privileges to which he is entitled; but, at the same time, I cannot fail to recognise that the doctrine of the survival of the fittest must assert itself, despite any legislation which we may enact. I do not think that the proposal of the honorable member for Fremantle covers all the ground, but, in my judgment, it offers the best possible solution of a difficult problem, and consequently I intend to support it.

Mr. KENNEDY (Moira).—It seems to me extraordinary that theorists who cannot give effect to their principles in Australia under highly-civilized conditions should attempt to force them upon the people of New Guinea, although they are absolutely ignorant of the conditions obtaining there. It is admitted that at the present time a very heavy penalty is imposed for supplying intoxicants to the native races, for whom we hear so much sympathy expressed. What is to prevent this Committee from enacting the continuance of that penalty under the provisions of this Bill? Why should we attempt to enforce our theories as to the conditions under which whites shall settle in British New Guinea, and give them no opportunity to say what those conditions should be? Are we going to allow things to drift, or to place difficulties in the way of the development of the Territory? It appears to me that some honorable members would give effect to their individual opinions, even if they knew that the result would be to retard the settlement of the Territory. The missionaries say that it is unnecessary at present to do anything in the direction of prohibition, and those who are inclined to support that view are twitted as to the position they took up in regard to land settlement. I am amongst those who regret very much that the Government in charge of the measure at the time gave way to theorists in the matter of land settlement in British New Guinea; but it is not to be said that, because we have failed in one duty we should fail in another. I think it is a reasonable proposal to allow the white people who settle in the Territory to say under what conditions they desire to live. It is unlikely that men will go to Papua in search of a perpetual holiday; they will go there for their material welfare.

Mr. MAUGER.—We are thinking of the spiritual welfare of the coloured races.

Mr. KENNEDY.—Those who are directly charged with the duty of looking after the spiritual welfare of the coloured races of Papua have given us the best possible evidence that the fad proposed by the honorable member for Melbourne Ports would not tend to their spiritual welfare.

Mr. MAUGER.—The honorable member is referring to a wholly different amendment.

Mr. KENNEDY.—They say that the conditions at present prevailing are fairly satisfactory.

Mr. MAUGER.—They do not.

Mr. KENNEDY.—They state, at all events, in general terms that an attempt to apply prohibition to British New Guinea would completely fail.

Mr. MAUGER.—They do not even say that.

Mr. KENNEDY.—That is the effect of their statement.

Mr. KELLY.—They say that it would be dangerous to the object we are seeking to attain.

Mr. KENNEDY.—The objects of the temperance party may be good and worthy, but amongst its members, as in other bodies, there are many with whom it is impossible to reason. If some of them saw a cork or an empty bottle on the roadside they would be prepared to build upon it a monument of human wrecks. Those of the party who are most sincere will admit that their cause is often discredited by the actions of cranks. I think that the proposal made by the honorable member for Melbourne Ports is a fad, and those who support it are attempting to reduce their theory to practice under conditions of which they know nothing. Why not endeavour to apply prohibition here.

Mr. LEE.—We shall make an effort in that direction.

Mr. KENNEDY.—Some persons have been anxious to do so for a long time, but no sane individual would support the proposal. I shall vote for the amendment moved by the honorable member for Fremantle, assuming that it will cover all white residents in British New Guinea, and will not necessarily be restricted to those of European extraction.

Question—That the words "by consent of the European residents," proposed to be inserted be inserted—put. The Committee divided.

Ayes	25
Noes	35
Majority	10

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AYES.

Bamford, F. W.	Ronald, J. B.
Carpenter, W. H.	Skene, T.
Conroy, A. H. B.	Spence, W. G.
Deakin, A.	Thomson, D.
Edwards, G. B.	Thomson, D. A.
Forrest, Sir J.	Watkins, D.
Frazer, C. E.	Watson, J. C.
Kelly, W. H.	Webster, W.
Kennedy, T.	Wilkinson, J.
Liddell, F.	Willis, H.
Page, J.	*Tellers*
Phillips, P.	Robinson, A.
Reid, G. H.	Wilson, J. G.

NOES.

Bonython, Sir J. L.	Maloney, W. R. N.
Brown, T.	Mauger, S.
Chapman, A.	McCay, J. W.
Cook, J.	McColl, J. H.
Culpin, M.	McDonald, C.
Edwards, R.	McLean, A.
Ewing, T. T.	McWilliams, W. J.
Fisher, A.	O'Malley, K.
Gibb, J.	Poynton, A.
Glynn, P. McM.	Smith, B.
Groom, L. E.	Smith, S.
Higgins, H. B.	Storrer, D.
Hutchison, J.	Thomas, J.
Isaacs, I. A.	Tudor, F. G.
Johnson, W. E.	Wilks, W. H.
Knox, W.	*Tellers:*
Lee, H. W.	Cook, J. N. H. H.
Lonsdale, E.	Crouch, R. A.

PAIRS.

Fowler, J. M.	Batchelor, E. L.
Hughes, W. M.	Fuller, G. W.
Turner, Sir G.	Kingston, C. C.

Question so resolved in the negative.

Amendment negatived.

Mr. LEE (Cowper).—I move—

That all the words after the word "except," line 3, be left out, with a view to insert in lieu thereof the words "as hereinafter mentioned—No intoxicants or opium shall be imported into or manufactured in the Territory except under regulations and conditions to be prescribed by the Lieutenant-Governor, including a provision that such importation or manufacture shall be for medicinal purposes only, and no intoxicants or opium shall be sold or otherwise disposed of in the Territory except for medicinal purposes, and on the order of a medical practitioner or person duly authorized by the Lieutenant-Governor. The penalty for contravention of this section is forfeiture of any goods illegally imported, manufactured, or sold, and a fine of not less than £5 or more than £100. Every ordinance passed before the commencement of this Act, providing for or permitting the importation, manufacture, sale, or disposal of intoxicants or opium in New Guinea, is hereby repealed."

I think this amendment puts the intention of the Committee in a clear enough light. There can be no mistake about its meaning. The intention is to impose penalties upon any persons who contravene this provision. The amendment cannot be misunderstood, and it will show clearly what the wishes of Parliament are. A great deal has been said about the hardship involved in white people not being able to get spirituous liquors if they are required. My amendment enables them to be obtained in certain cases.

Mr. ROBINSON.—Persons have to be sick before they can obtain them.

Mr. LEE.—There is no necessity under this amendment to be sick in order to get medicine. A man can carry his medicine with him. Do not honorable members carry medicine chests with them when they go into the country? Do not prospectors in New Guinea carry medicine chests with them? Alcoholic liquors may form a part of such medicine chests.

Mr. REID.—All opposition ought to be withdrawn after that definition!

Mr. LEE.—There ought to be no opposition to the Commonwealth making this great experiment in prohibition. I consider that this is a grand opportunity to try the experiment, and I believe that the honorable member for Melbourne Ports will accept my amendment with a view to carry out his own intentions.

Mr. REID.—I think that the amendment is an essential corollary to what has already been decided. It simply puts the intentions of the Committee into proper language. My honorable friend the member for Cowper is to be congratulated on his legal erudition, as displayed in this proposal; and I think also that the explanation which he has given as to what is meant by the term "medicine," and as to the precautions which may be made against sickness will take the sting out of the whole proposition. I hope that honorable members will now be able to allow a final vote to be given upon the subject, and will recognise that the amendment simply carries out the intention of the Committee, and what has already been decided.

Mr. KING O'MALLEY (Darwin).—I must oppose this amendment. In the first place, the honorable member for Cowper submits the proposition that if a medical practitioner signs a prescription, a man in New Guinea can have all the whisky he desires. We might as well start a stagger-juicery up there at once. A provision of this sort was the very curse of the States of Maine, Vermont, and Kansas. The doctors used to prescribe whisky for almost every disease. In the old days, the doctors bled their patients for everything. If

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a soldier had his leg shot off, the doctor came along and bled him in the other leg. They now prescribe alcohol for all kinds of complaints. With all due respect, and even reverence for medical men, I maintain that the whole progress in medical science has been accomplished by the patients, and not by the doctors. This provision puts too great a power in the hands of the medical practitioner. It simply means that the doctors in New Guinea can grant a man the right to have all the whisky he wants. If we pass the amendment we shall simply turn British New Guinea into a whisky saloon to be run by doctors. If my honorable friend the member for Cowper had been in the American prohibition States in former days he would see the weakness of his idea. In the State of Maine the power to grant permission to use alcoholic liquors has now been intrusted to a Government Commissioner. In the same way, we should intrust the power to the Government Resident, or the resident magistrate. To that I should offer no opposition.

Mr. LEE.—The clause says a "medical practitioner or person duly authorized by the Lieutenant-Governor."

Mr. KING O'MALLEY.—A medical university student might visit the Territory on a pleasure trip, and make half the people drunk while he was there. I shall oppose the clause.

Mr. CONROY (Werriwa). — When we are framing a Constitution for British New Guinea, and that I understand is the object of this Bill, we should deal with the matter in a sensible fashion, and honorable members should not attempt to impose upon the citizens of the Territory disabilities which they would not inflict upon the citizens of Australia. The chief argument used in favour of the clause is that if we leave to men the means by which they may become intemperate, they will be guilty of intemperance; but, on exactly the same grounds, it might be argued that if we do not deprive all men of the means of being incontinent, they will be guilty of incontinence. It is too absurd that we should have to listen to such arguments in this Chamber. Other members of the Committee are just as anxious as are honorable members who are advocating temperance that no liquor should be supplied to the natives. The regulations already in existence provide for that. In these days a man can purchase a still for £25, and these stills can be set up in New Guinea in a scrub through half-a-mile of which honorable members could not walk in a day. It will be impossible to prevent illicit distillation in New Guinea. We are telling the white residents of New Guinea, who are largely miners, who do not care twopence for laws of which they do not approve, that they shall not be able to get a glass of liquor, and as a result there will be many illicit stills established in the Territory, and twenty times as much liquor will be sold to natives as would otherwise have been sold. I object that honorable members who advocate temperance, and whose votes have shown how intemperate they really are, should suggest that other honorable members are not as anxious to prevent the sale of liquor to the natives of the Territory. It is, in my opinion, disgraceful that we should propose laws of this restrictive character. In New South Wales some twenty odd years ago, the duty on liquor was raised from 12s. to 14s. a gallon. I was surveying at the time, and I am in a position to say that as the result of the increase of the duty, twelve months afterwards I could have pointed to illicit stills throughout the district in which I was engaged which had never previously existed. We are to-day continually hearing of persons in the settled portions of Victoria and of New South Wales being fined up to £100 for having illicit stills. In some cases the attempt to promote temperance has had exactly the opposite effect, and it has led to the illicit distillation of bad spirits, which has been detrimental to the health of the people, as well as to the revenue. If the Committee is really in earnest in desiring to promote temperance amongst the natives of British New Guinea, they will do nothing which will lead to illicit distillation. I remind honorable members that there is an inland border, extending for 800 or 900 miles between Dutch New Guinea and British New Guinea, and it will be impossible to prevent natives being engaged in the smuggling of spirits across that border. In the circumstances, it is absolutely ridiculous for us to insist on passing this clause. I have no hesitation in affirming that it will lead to an absolute disregard of the law, and will result in twenty times the quantity of liquor being sold to natives that is likely to be sold to them under existing conditions.

Mr. JOSEPH COOK.—The honorable and learned member suggests that if we make

it more difficult for the whites to get liquor, we shall make it easier for the blacks to get it.

Mr. CONROY.—I suggest that if we make silly laws against the sense of the white people of the community, the result will be disastrous.

Mr. JOSEPH COOK.—Are they all law-breakers, then?

Mr. CONROY.—I can assure the honorable member that he can find an illicit still in Waverley, near Sydney, to-day. I happened to hear from one of the inspectors who was appointed a short time ago that they knew of the existence of one there, but could not find it. I do not intend to further labour the matter. The majority of honorable members have just recorded a vote in what I have no doubt is an earnest desire to promote temperance; but the experience of half-a-dozen years will show a directly contrary effect. It will be seen that the vote to-night has inflicted a great injury on the community, in meting out to the citizens of one portion of the Commonwealth treatment different to that accorded to the people on the mainland. In view of the opinions expressed by the Bishop and missionaries of various churches against total prohibition, it will be seen that the Committee have made a serious mistake. Whatever the desire of honorable members may be in this direction, this Bill is not the place in which to express it. This ought to be a matter for regulations drawn up by the Lieutenant-Governor, and, perhaps, approved by this Parliament. That would, at any rate, have been a fair attempt to deal with the matter—an attempt by men who understand the question, and not by a lot of infants, whose action may have exactly the opposite result from that intended.

Mr. THOMAS (Barrier).—I am very glad that the honorable member for Darwin has drawn attention to the effect of a portion of this amendment; and I was surprised to find the words referred to. I had been prepared to follow blindly the honorable member for Cowper; so much so that I had not taken the trouble to peruse the proposal, really thinking that the honorable member for Cowper was sincere and honest on the question. Some time ago I had, perhaps, some little doubt as to whether it would be advisable to prohibit liquor in the case of those engaged in prospecting and kindred pursuits; but we were informed by the honorable member for Cowper that Dr. Livingstone, Stanley, and others had stated that drink under such circumstances is not necessary—that such work is better done without intoxicants. Yet here we have the honorable member for Cowper practically giving away the whole case, and prepared to permit doctors, or any other persons duly authorized by the Lieutenant-Governor, to dispense drink as medicine. Such a condition of things I regard as worse than State control, against which a number of us voted a little while ago. The present Prime Minister and his two predecessors are all in favour of allowing intoxicants under certain conditions, on the ground that it is practically impossible for white people to live in such a country without such stimulants. I am in favour of State control of things in general, and local option; but now, after we have voted against State control and local option, we are led astray by the honorable member for Cowper.

Mr. REID.—This is excellent fooling, and spends the time very pleasantly; but I remind the honorable member for Barrier that his strictures are entirely uncalled for. The language to which he takes exception is in the clause for which he himself voted a short time ago.

Mr. THOMAS.—But, as I say, I voted blindly.

Mr. REID.—The main clause provides that liquor may be dispensed for medicinal purposes by the order of a medical practitioner, or any other person duly authorized by the Lieutenant-Governor, and the proposal before us does not in any way enlarge its operation—the words are a mere repetition, for the purpose, I suppose, of greater legal accuracy. If honorable members have the slightest regard to the value of public time, I make an earnest appeal to them to recollect the length of the discussion which has already taken place. The present proceedings do not add any dignity to the cause of temperance, or to any other cause, whatever it may be, involved in the matter. I make an earnest appeal to the Committee, in the interests of public business, to allow the question to be settled.

Mr. McDONALD (Kennedy).—The penalty of £5 is, in my opinion, too small. I beg to move—

That the word "five" be left out with a view to insert in lieu thereof the word "ten."

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Mr. LEE.—I am prepared to accept the amendment.

Mr. KING O'MALLEY (Darwin).—I ask the honorable member for Cowper whether he will accept an amendment to omit the words "except for medicinal purposes"?

The CHAIRMAN.—That amendment cannot be proposed now.

Mr. MAUGER (Melbourne Ports).—I should like to be permitted to accept the amendment of the honorable member for Cowper. The honorable member's proposal is the same as my own, but set out in legal phraseology.

Mr. BROWN (Canobolas).—I wish to point out that a technical offence might be met by the imposition of a very light fine. The hands of the magistrates are sufficiently tied by this proposal. If an offence were such as to demand the infliction of a higher fine than £5, the magistrate would be free to act accordingly. I submit that technical offences should not be so severely punished as is proposed, and that a certain amount of discretion should be left to the magistrate. I hope that the honorable member for Cowper will not accept the amendment to make the minimum penalty £5.

Amendment of the amendment negatived.

Mr. CONROY (Werriwa).—I wish to ask the Prime Minister whether he believes that we are acting consistently in placing this new clause in the Bill? Shall we not infringe the provision which says that trade, commerce, and intercourse shall be absolutely free if we insert such a provision in the Bill? If we have not the power to insert it we are merely wasting time.

Mr. REID.—I give my honorable and learned friend my solemn assurance that we have the power.

Amendment agreed to.

Question—That the proposed new clause, as amended, be agreed to—put. The Committee divided.

Ayes	35
Noes	22
Majority	13

AYES.

Brown, T.	Groom, L. E.
Chapman, A.	Higgins, H. B.
Cook, J.	Hutchison, J.
Crouch, R. A.	Isaacs, I. A.
Culpin, M.	Johnson, W. E.
Edwards, R.	Knox, W.
Ewing, T. T.	Lee, H. W.
Fisher, A.	Lonsdale, E.
Gibb, J.	Maloney, W. R. N.

AYES—*continued.*

Mauger, S.	Thomas, J.
McCay, J. W.	Tudor, F. G.
McColl, J. H.	Wilkinson, J.
McLean, A.	Wilks, W. H.
McWilliams, W. J.	Wilson, J. G.
O'Malley, K.	
Poynton, A.	*Tellers:*
Smith, S.	Cook, J. H.
Spence, W. G.	McDonald, C.
Storrer, D.	

NOES.

Bamford, F. W.	Reid, G. H.
Carpenter, W. H.	Ronald, J. B.
Conroy, A. H. B.	Skene, T.
Deakin, A.	Thomson, D.
Edwards, G. B.	Thomson, D. A.
Forrest, Sir J.	Watkins, D.
Fowler, J. M.	Watson, J. C.
Frazer, C. E.	Webster, W.
Kelly, W. H.	
Kennedy, T.	*Tellers:*
Liddell, F.	Page, J.
Phillips, P.	Robinson, A.

PAIRS.

Batchelor, E. L.	Smith, B.
Bonython, Sir J. L.	Harper, R.
Fuller, G. W.	Turner, Sir G.
Kingston, C. C.	Hughes, W. M.

Question so resolved in the affirmative.

Proposed new clause, as amended, agreed to.

Mr. KELLY (Wentworth).—I have been asked by the honorable and learned member for Bendigo to propose the insertion of the two new clauses of which he has given notice. The clause which has just been inserted provides that no liquor shall be imported into the Territory, and imposes certain fines upon any person who has been convicted of selling liquor therein. The object of the honorable and learned member for Bendigo is to insure that if liquor by any chance, in spite of the clause we have just passed, finds its way into New Guinea, none of it shall come into the hands of the natives there.

Mr. GROOM.—Do not the proposed new clauses duplicate what we have already passed?

Mr. KELLY.—No. Under the clause just passed the ordinances at present in force in New Guinea to prevent the natives getting intoxicants are repealed.

Mr. GROOM.—I mean the clause just added.

Mr. KELLY.—That does not deal with this matter. That clause provides certain penalties only in the event of intoxicants being imported or sold illegally to whites or blacks. Viewed from the point of view of protecting the latter, these penalties are not so severe as those which have so far

proved so efficacious. We desire to insure that the protection in this regard which the natives at present enjoy will not unthinkingly be decreased by the prohibition proposal just passed.

Mr. REID.—The proposed new clauses improve the Bill. The Government is prepared to accept them.

Mr. PAGE.—Are they not a copy of the old ordinances?

Mr. KELLY.—They are a copy of the ordinances at present in force.

Mr. REID.—With the difference that they are now made permanent.

Mr. KELLY.—Yes. I am sure that the Committee will support the proposals of the honorable and learned member for Bendigo. I have great pleasure in moving, without further remark—

That the following new clauses be added :—

"20B. No person shall except under the provisions of this Act, supply to any native by sale, gift, or in any other way, either directly or indirectly, any intoxicating liquor or opium, and any person offending against the provisions of this section shall be liable, on conviction, in a summary manner, to a fine of not less than Twenty pounds and not exceeding Two hundred pounds, and to imprisonment for any term not less than one month and not exceeding two years."

"20C. It shall not be lawful save under the provisions of this Act for any native to have in his possession any intoxicating liquor or opium and any such articles found in the possession of any native contrary to this section may be seized by any officer in the service of the Government, and be brought before any officer exercising judicial functions, who shall in a summary way direct that it be confiscated and that it be disposed of according to his discretion."

Proposed new clauses agreed to.

Mr. WEBSTER (Gwydir).—Before the Bill is reported, I wish to move the addition of the following sub-clause to the clause inserted at the instance of the honorable member for Melbourne Ports:—

The foregoing section shall not preclude the Lieutenant-Governor arranging for the manufacture, importation, or sale of intoxicants or opium by his agents, and the receipts therefrom shall go into the Treasury of the Territory.

It may be found by experience that the new clause which was agreed to on division, works injuriously to the natives of New Guinea. We, who voted against it, did so because we believe that it will create a greater evil than that which it seeks to remedy, in that it will cause the natives to enter upon the illicit manufacture of intoxicating liquor, or to become smugglers from German and Dutch New Guinea. I therefore desire it to be left to the Lieutenant-Governor to say whether the law is operating perniciously, and if he is of opinion that it is, to give him power by the enforcement of this provision to negative the ill results. We are at present confessedly legislating in the dark, on theoretical, rather than on practical grounds. Those who are great adherents of temperance reform have no knowledge of the effect of applying this principle to the conditions of New Guinea, and therefore I think it would be wise to adopt some such safeguard as I now propose.

Mr. MAUGER.—What the honorable member proposes, if adopted, would reverse the decision of the Committee.

Mr. WEBSTER.—No. My contention is that if the provision already carried proves pernicious, as I feel certain that it will, the application of the provision which I wish to insert will be a safeguard.

The CHAIRMAN.—The proviso is one which should have been moved as an addition to clause 20A.

Mr. WEBSTER.—Cannot I move to insert it as a new clause?

The CHAIRMAN.—It would be competent to move it as a new clause, if it did not limit the operation of a clause already in the Bill.

Mr. WEBSTER.—Do you, sir, say that it does limit another clause?

The CHAIRMAN.—Yes.

Mr. WEBSTER.—I fail to see that it has that effect.

Mr. REID.—The Committee have just passed a clause absolutely prohibiting the manufacture of spirits in the Territory.

Mr. JOHNSON.—I submit that the honorable member cannot insert the provision, because the Committee has decided against State control.

Mr. WEBSTER.—Has the Prime Minister any objection to recommitting the Bill, to give me an opportunity to do what I wish?

Mr. REID.—The honorable member's proposal sets up an alternative which practically negatives the policy just agreed to by the Committee, so that I am afraid that a number of points of order would be raised if I consented to the recommittal. I would, however, remind him that the consideration of the Senate's amendments in the Arbitration Bill was deferred until to-morrow in order that we might get through this Bill to-night, and send it on to the Senate.

Mr. WEBSTER.—Then I shall not press the matter now, but endeavour to have the amendment moved in the Senate.

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Preamble and title agreed to.

Bill reported with amendments; report adopted.

Bill read a third time.

KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY BILL.

In Committee (Consideration resumed from 14th October, *vide* page 5629):

Clause 1 agreed to.

Clause 2 (Power to make survey of route).

Mr. KELLY (Wentworth).—It is with considerable regret that I rise to propose an amendment in a Bill in which a number of honorable members, including the right honorable member for Swan, take so keen an interest. I find myself in this position: I voted originally for the consideration of the measure, and afterwards for the second reading, because I wished to test in Committee the question which is at the bottom of my amendment. I have voted for the Bill so far, although I am opposed to the construction of the railway, because I wish now to prove whether or not the Western Australian representatives think that the verdict of the survey will be favorable to the construction of the line.

Sir JOHN FORREST.—The honorable member is not asked to vote for the construction of the railway now.

Mr. KELLY.—Surely, if I am opposed to the construction of the railway, I must also, in order to be consistent, oppose the initial expenditure now contemplated? I merely wish now to ascertain whether the representatives of Western Australia are prepared to back their opinion that the railway will prove a great success as a business undertaking. I move—

That the following proviso be added :—"Provided that the States of Western Australia and South Australia, collectively or individually, undertake to refund to the Commonwealth the cost of this survey, in the event of the Commonwealth not deciding within two (2) years of the completion to construct the said railway."

Mr. POYNTON.—Thank you, for nothing.

Mr. KELLY.—The States concerned will, under my amendment, have an opportunity of proving that the railway is likely to be a good Commonwealth investment. They tell us it will prove of such a nature. But we are not here to carelessly accept their assurances. We are here as the trustees of the Commonwealth, and we are not entitled to spend money contributed by the whole of the States upon a work of this kind, unless we have some guarantee such as will be afforded by the proviso. This Bill, although almost universally unpopular, has been pushed to the forefront because the representatives of Western Australia have consistently presented a solid front in advocating it. Successive Governments have felt themselves compelled, owing to the exigencies of the political situation, to push forward the measure. The Bill, instead of being where it would long ago have been deposited if the feeling of the people of Australia could have been properly sounded, namely, in the waste-paper basket, has been in the forefront of every Government programme. Honorable members who are advocating the railway, say that it will prove a good business investment. If their views are found to be well founded, my proviso will have no effect, because it will come into force only in the event of the Commonwealth deciding not to construct the line. That is the main point upon which I depend for support. Surely we should not be called upon to pay for an experiment which, in the event of our afterwards not being prepared to construct the line, would not have conferred any benefit upon any but the two States immediately concerned. If we build the railway, we pay for the survey; if we do not build the railway, the States whose representatives misled the Commonwealth into expending this money are to reimburse the amount—that is my proviso. The right honorable member for Swan and other representatives of Western Australia have told us that it is not only upon the ground of the cost involved that they appeal to this Parliament. They have informed us time and again that Western Australia cannot make any progress in this matter, because South Australia will not join in making the survey. I would point out, however, that if South Australia objects to the construction of the line, the Commonwealth will be powerless to proceed with the work. Subsection XXXIV. of section 51 of the Constitution confers upon the Commonwealth power to construct railways through the territory of any State with the consent of that State. Inferentially, therefore, the Commonwealth cannot construct railways without the consent of the State or States through whose territory they will pass. And if we cannot construct a railway, how can we constitutionally undertake the initial expenses of that railway?

Mr. FOWLER.—We can construct railways for defence purposes, and this line is required in that connexion.

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Mr. KELLY.—If the line is to be constructed solely for defence purposes, it has very small claim to our consideration, because the best authority that we had in the Commonwealth, the late General Officer Commanding, expressed the opinion that if we had to despatch troops to defend Western Australia, we should require to send forces such as do not exist in the Commonwealth at present.

Mr. FOWLER.—But surely we shall have such forces before the railway is completed?

Mr. KELLY.—Are, then, my honorable labour friends from Western Australia contemplating the establishment and maintenance of a huge standing army? I think that they are extending their arguments in favour of the railway to a ridiculous extreme.

Mr. HIGGINS.—Will the honorable member's object be accomplished if one of the States undertakes to refund the cost of the survey?

Mr. KELLY. — Yes. My amendment provides for the States collectively or individually undertaking to refund the cost. In view of the anxiety which the people of Western Australia have displayed to have the line constructed, I am sure that they will not hesitate to guarantee, in the event of their optimism proving unfounded, the repayment of a paltry £20,000. Therefore, I submit the amendment with the utmost confidence.

Mr. REID (East Sydney—Minister of External Affairs).—The honorable member for Wentworth has been very brief in placing his views before the Committee, and I shall endeavour to imitate his good example. I do not think that any State would care to have the principle which he wishes to establish applied to proposals for public works within its borders. To my mind, that principle is an utterly objectionable one. To provide that either South Australia or Western Australia, or both, should refund this money, if the line were not authorized within two years, would practically impose a legal obligation upon those States, from which they could not escape. I say that we should either throw this Bill out, or treat Western Australia as we would treat any other State of the Union.

Mr. PAGE.—Will the Prime Minister make it his policy to compel the Commonwealth to pay for the railways of other States?

Mr. REID.—I should be very sorry to give a blank promissory note on behalf of the public when I would not give one upon my own account. I can assure the honorable member that every proposal will receive my best consideration. By a large majority the House has affirmed the principle involved in the proposed survey. In Committee expression was given to the view that a certain area of land should be reserved upon either side of the proposed route, and the Parliament of Western Australia has given effect to our wishes in a way which I have never seen equalled. Both Houses of the State Legislature have guaranteed that an area of twenty-five miles on either side of the projected route shall be reserved.

Mr. CARPENTER.—What about South Australia?

Mr. REID.—That is where the hardship comes in. There is a strong belief that in South Australia there are elements of opposition to the project which might lead to a practical denial of this survey, if it were dependent upon South Australian consent.

Mr. PAGE.—That State ought to know its own business.

Mr. REID.—Of course it ought. But I would point out to the honorable member that I am proposing this Bill from a national point of view. I entertain a very strong feeling in regard to it. I was very much gratified with the decision of the Committee to sanction the survey, with a view to ascertaining whether the enterprise is likely to prove justifiable from an Australian standpoint. The indirect results arising from an examination of this route may prove of vast importance. As honorable members are aware, some of our richest mineral discoveries have been made in the most hideous and unsightly spots on this continent. The survey proposed will cover a great stretch of country, and it is quite possible that it may lead to the discovery of valuable mineral resources.

Mr. WEBSTER.—Would not an objection on the part of South Australia be fatal to the survey?

Mr. REID.—I am not going to search for obstacles in the path which I wish to follow. I desire to see this survey carried out. It cannot be carried unless we pass this Bill. If we authorize the survey, I do not anticipate that South Australia will play any unfriendly part by attempting to thwart our legislation.

Mr. PAGE (Maranoa).—The Prime Minister has put the position very clearly from a Western Australian stand-point. He claims to represent that State, and accordingly "battles" for it. I represent a por-

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tion of Queensland, and therefore I intend to "battle" for it.

Mr. BRUCE SMITH.—The honorable member favours the payment of a bonus upon sugar.

Mr. PAGE.—If the honorable and learned member for Parkes will propose to abolish the bonus I shall be found supporting him. Why should the Commonwealth be asked to construct a railway to Western Australia through South Australia, seeing that all the other States have had to bear the expenditure of constructing their own lines? At the present time the Treasurer of Queensland does not know where to turn to obtain his next £100, and yet Western Australia and South Australia wish to take £3,000 out of the coffers of that State to enable this survey to be undertaken. The proposal is nothing more nor less than political burglary. The right honorable member for Swan has repeatedly talked about the profits, amounting to millions of pounds, which are annually derived from the mines of Western Australia. Why does not that State expend a portion of that money for the purposes of the proposed survey?

Sir JOHN FORREST.—Within two years Queensland will have received £50,000 from Western Australia in respect of sugar.

Mr. PAGE.—How much has Western Australia received from the other States of the Union? It cannot be denied that it obtains value for its money, otherwise it would take its business elsewhere. If the projected railway is likely to prove a financial success, Western Australia and South Australia should have no compunction whatever in giving this guarantee.

Mr. KELLY.—Why should not they back their opinions?

Mr. PAGE.—Exactly. It is like the right honorable member for Swan counselling me to invest money in a certain enterprise in which he does not care to risk anything himself. If the limitation of time proposed by the honorable member for Wentworth is too brief, I am quite prepared to see it extended to three, or even five years. I am sorry that the second reading of the Bill has been carried. It would not have been agreed to but for the personal popularity of the Western Australian representatives. They are pastmasters in the art of lobbying.

Sir JOHN FORREST.—That is not correct.

Mr. PAGE.—I can assure the right honorable member that several of his colleagues have done a good deal of lobbying in connexion with this matter, and that some honorable members have supported the Bill out of pure friendship for them. I have a duty to perform to my constituents, and I cannot consent to calling upon Queensland to contribute £3,000 towards the survey of this projected line. I am not in favour of its construction, and I hold that if we vote for this Bill we shall practically commit ourselves to the support of that railway. I would urge honorable members to accept the amendment. If the Prime Minister thinks that the time limit fixed is too short, I am sure that the honorable member for Wentworth will agree to alter it from two years to five years. If the railway be not constructed within the next five years, I do not think that it will be built in our time. I trust that the survey will not be made, but that the South Australian Government will continue to hold out for their constitutional rights.

Sir JOHN FORREST.—The honorable member is a great Federalist.

Mr. PAGE.—I am such a Federalist that I do not propose to see the State which I represent robbed for the benefit of Western Australia. The right honorable member says that the mines of Western Australia show an annual profit of £6,000,000, and yet the Government of that State are now coming to us, cap in hand, and asking us to call upon a State which can ill-afford it, to bear portion of the cost of making the survey. I trust that the amendment will be carried.

Mr. BRUCE SMITH (Parkes).—I am by no means an enthusiastic supporter of the proposal to construct this railway. If I were asked to-night to express a definite and permanent opinion upon it, I should give a distinct negative. My personal opinion, founded upon a variety of evidence, which I have had the opportunity to gather from different sources, is that the proposed line would run through a desert. But there are other considerations which touch this preliminary proposal. When the Bill was before the House some weeks ago, I expressed the opinion that before we consented to the expenditure of £20,000 on the survey, we should have some earnest from the Governments of Western Australia and South Australia as to their desire that the railway should be constructed, and I then expressed the opinion sufficiently plainly that the Governments of those States should be asked to specially reserve the whole of

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the land for twenty-five miles on either side of the proposed line. I understand from the right honorable member for Swan, and also from communications which are open to the Committee that since that debate a resolution has been passed by both Houses of the Parliament of Western Australia specially reserving the whole of the land for twenty-five miles on either side of the line.

Mr. McWILLIAMS.—In their own State.

Mr. BRUCE SMITH.—Our only object was that the land should be reserved, so that——

The CHAIRMAN.—I think the honorable and learned member is anticipating a further amendment. We are not dealing now with the question of reservation of land.

Mr. BRUCE SMITH.—I merely wish to show generally what I intended to convey on the occasion in question. I then expressed the opinion that we should either require the Governments of South Australia and Western Australia to find the money necessary to make this survey in the first place, on the understanding that it would be refunded in the event of the Commonwealth Parliament determining to construct the line; or that they should, as I have said, reserve the land for a distance of twenty-five miles on either side of the proposed route.

Mr. KELLY.—Does the honorable and learned member know the monetary equivalent of this reservation of the land on either side?

Mr. BRUCE SMITH.—I do not think that any one knows.

Mr. KELLY.—At its maximum value the land on the Western Australian side of the border would yield only £7,200 per annum.

Mr. BRUCE SMITH.—But the honorable member does not yet know with certainty the nature of the country. That is our difficulty. We are aware that a committee of engineers, including Mr. Deane, the Engineer-in-Chief for New South Wales, has expressed the opinion that in a very few years the railway would pay, and that the country through which it would run is of such a character as to make it at least worth while to carry out a survey. If, as the right honorable member for Swan reports, the lands which have been reserved will become valuable when the railway is constructed, we should be able to stipulate when the Bill providing for the construction of the line comes before the House, that the proceeds derived from the reservation be paid into a trust fund to recoup the Commonwealth for any loss upon the railway. That being so, I am perfectly satisfied now to support this Bill, providing for an expenditure of £20,000 on the survey, without the stipulation for which the honorable member for Wentworth asks. I mention this only to show that I have not changed my opinion, but that I think that the Western Australian Government, in so quickly responding to the wish expressed by the House, have given a substantial earnest of their desire for the construction of the line. We shall be able by-and-by, if the survey proves a very satisfactory one, to stipulate for some substantial guarantee from both States in consideration of their having so large a sum of money expended upon the survey.

Mr. ROBINSON (Wannon).—Although very strongly opposed to this proposed survey at the present time, I have hitherto preserved silence, out of deference to the feelings of the right honorable member for Swan and the honorable member for Perth. The amendment which has been moved by the honorable member for Wentworth certainly ought to be carried. We have been told by the honorable and learned member for Parkes that some great consideration has been extended to the Commonwealth.

Mr. BRUCE SMITH.—No; I said that the Government of Western Australia had shown some earnest of their desire.

Mr. ROBINSON.—Some earnest of their intentions, by reserving the land on either side of the proposed route. I should like honorable members to understand what this wonderful reservation really means. The distance between Kalgoorlie and the border is 450 miles, and a stretch of country 450 miles long by 50 miles wide covers an area of 14,400,000 acres. At the present time all this land may be taken up on lease for 10s. per thousand acres per annum, but there are no takers. As an honorable and gallant member of another place has said, it is such confounded goat country that the State Government cannot get takers at that price. It is really not sheep but goat country. Honorable members who have read the reports issued by the various survey parties in Western Australia will know that the land is of very poor character. If the whole of the 14,400,000 acres were leased

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at a rental of 10s. per thousand acres per annum the revenue derived from it would be only £7,200 per annum. The most sanguine estimate is that, at the outset, the loss on the running of the railway would be £70,000 per annum, so that even if we secured the revenue from the lease of the reservation we should still have to face a loss of over £60,000 a year. If South Australia adopted the same course the loss would be reduced by another £7,000 or £8,000 per annum, leaving a total loss of between £50,000 and £60,000 a year, if the whole of the land on either side of the railway from Kalgoorlie to Port Augusta were reserved and leased in this way. These facts cannot be gainsaid. The Government of Western Australia offer liberal conditions to those who wish to take up land, and yet no one will touch this part of the country. The reservation, therefore, is practically of very little value.

Mr. Kelly.—It is a sprat to catch a mackerel.

Mr. ROBINSON.—Exactly. The amendment moved by the honorable member for Wentworth would protect the revenue of the other States, and I am sure that those who favour it would accept the suggestion made by the honorable member for Maranoa, that the time limit be altered from two to five years. I desire to move several amendments, which, I believe, will meet with the approval of the Committee. First of all, I would strike out the words "collectively or individually," and insert the words "or one of those States." That would be in accordance with the suggestion which has been made by the honorable and learned member for Northern Melbourne. Then I would strike out the word "two." and substitute the word "five"; and after the word "completion" I would insert the word "thereof." The proposed proviso would then read—

> Provided that the States of Western Australia and South Australia, or one of these States, undertake to repay to the Commonwealth the cost of this survey, in the event of the Commonwealth not deciding within five years of the completion thereof to construct the said railway.

The honorable member for Wentworth has intimated that he will accept these amendments. The proviso as amended will embody a very modest request. We have heard much about what the other States have got out of the Union. All the States expected that they would get something out of Federation. But that is beside the question. Here is a new and totally unforeseen expenditure, which we are asked to incur at the instance of the richest State in Australia—a State which, indeed, if we are to believe the right honorable member for Swan, is one of the richest in the world.

Sir John Forrest.—What has Victoria got out of Western Australia?

Mr. ROBINSON.—Not a solitary copper. There is no income tax in Western Australia, such as we in the other States have to pay. Why does not the Western Australian Government take advantage of the advice of the *Bulletin*, and other newspapers, and impose proper taxation? Why does Western Australia need to come here and ask us for £20,000? I really think that the people of that State will take it as an insult if we vote this money. That is how I feel upon the subject, and it is only my high esteem for the representatives of Western Australia that has kept me quiet so long. I move—

> That the amendment be amended by leaving out the words "collectively or individually," and inserting in lieu thereof the words "or one of these States"; that the word "two" be left out, with a view to insert in lieu thereof the word "five"; and that after the word "completion" the word "thereof" be inserted.

Mr. CARPENTER (Fremantle).—May I ask whether the vote on the amendments of the amendment will decide the whole question?

The CHAIRMAN.—No; these are merely verbal amendments, which do not touch the principle of the proviso, the insertion of which has been moved by the honorable member for Wentworth.

Mr. CARPENTER.—Could we not decide the whole question by a vote upon the first of the amendments of the honorable and learned member for Wannon?

Mr. Kelly.—I prefer to have a vote taken on the proviso, as amended.

Amendments of the amendment agreed to.

Sir JOHN FORREST (Swan).—I am very sorry that I should have to speak upon the amendment of the honorable member for Wentworth. My inclination is altogether against doing so, seeing that the subject has been so fully debated on other occasions. I feel, however, that if I were to remain silent, my action and that of other representatives of Western Australia might be misrepresented. I regret very much that the honorable member for Wentworth has moved the insertion of this proviso. It is a very small proposal to make in regard to a very big question—probably one of the biggest questions that this Parliament will have to

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deal with. To insert such an amendment would be to deal with the question in a very paltry spirit. If the Transcontinental Railway were intended merely for the benefit of the two States mentioned in the proviso, there might not be so much objection to it.

Mr. PAGE.—What other States will benefit?

Sir JOHN FORREST.—The honorable member for Maranoa has sat in this Chamber, and has heard me on many occasions point out that the railway is a great national project closely connected with the very Federation of Australia. I have said, times out of number, that there can be no real Federation without this railway. Why did Western Australia enter the Union, if she is to be isolated, and is to have no direct means of communication by land with the eastern States? We might just as well expect New Zealand to join the Federation. Do honorable members think that the Western Australian people are content with a Federation merely in name? Is it supposed that they are content to live in isolation? That is not the Federation that we expected and desired.

Mr. WEBSTER.—Is not this proposal an un-Federal act towards South Australia?

Sir JOHN FORREST.—I think that the proposal of the honorable member for Wentworth is un-Federal. It is a small way of dealing with a big question, and is not worthy of this Parliament. Western Australia before Federation was accomplished was always ready to join in any Federal project. There has not been a subject for which a Federal contribution was required to which Western Australia was not always ready to contribute. She has been a good friend to many of the other States, and especially to Victoria. I have had occasion to say before that during the last ten years she has presented £2,000,000 to Victoria.

Mr. RONALD.—And she has had 200,000 added to her population.

Sir JOHN FORREST.—The men who earned that money sent it to people in Victoria, who in ordinary circumstances might have been expected to expend it in Western Australia.

Mr. HUTCHISON.—They did £4,000,000 worth of work for it.

Sir JOHN FORREST. — Honorable members do not follow me. Men earn money in Victoria, but they do not send it to Western Australia; they spend it here.

Mr. RONALD.—Are not 200,000 people of more value than £2,000,000?

Sir JOHN FORREST.—I am not saying anything about the people. Under ordinary conditions men spend their money in the State in which they earn it. What I say is that during ten years people resident in Western Australia have sent £2,000,000 to be spent in Victoria.

Mr. PAGE.—Good luck to them!

Sir JOHN FORREST.—So I say, too; but Victoria has benefited by their work in Western Australia.

Mr. TUDOR.—How much did they earn for Western Australia?

Sir JOHN FORREST.—I do not propose to enter into a controversy in support of a truism. I should have thought that it would have been clear to honorable members that if people working in Victoria sent their money to some other State, instead of spending it here, the other State would gain an advantage. If these hard-working men had gone away from Victoria to a place where they were unable to save money they could not have sent £2,000,000 back to their families in Victoria, as has, I am pleased to say, been the case with those who went to Western Australia. Western Australia is contributing without demur to the sugar bounty. When the Act dealing with the matter expires in two years' time, Western Australia will have contributed £50,000 to the States of Queensland and New South Wales. I have heard no demur to that in Western Australia, because it is considered a national matter to which it is right we should all contribute. But when we come to deal with another matter of great national importance for the benefit, not of Western Australia alone, but of the whole Commonwealth, some honorable members appear to desire to enter into some little pettifogging bargain about it.

Mr. PAGE.—What does the right honorable gentleman call "pettifogging?" He does not want thousands, but millions.

Sir JOHN FORREST.—To show how the people of Western Australia view this matter, I may remind honorable members that they have undertaken to leave to this Parliament the sole decision as to the route, and as to the gauge of the proposed railway. They have also undertaken to alter the gauge of the existing railway between Kalgoorlie and Fremantle, extending over 387 miles, to that decided upon by this Parliament for the proposed railway. It is estimated that it will probably cost £750,000

to alter the gauge, and put down heavy rails on the line between Kalgoorlie and Fremantle—an expenditure which is really not necessary in the interests of Western Australia. The Western Australian railway gauge is 3ft. 6in., but, recognising that this is a great national trunk-line, the people of that State are prepared to undertake a large expenditure to secure a uniform gauge for this main line. I have spoken often on this matter, and have dealt with it on every occasion as a national, and not as a parochial, question. I have no desire to deal with it in any other way. I have pointed out that this railway is necessary in the interests of Federation itself, because without it the Federation can never be anything but a name. I say deliberately that I would prefer that Western Australia should not be in the Federation rather than that she should remain isolated, as she is at present. Every one must admit that such a thing as that was never contemplated. We know the difficulties that surround the question.

The CHAIRMAN.—The right honorable gentleman must not discuss the main question. I must ask him to discuss the amendment.

Sir JOHN FORREST.—I think the amendment opens up a very wide question, but I shall try to confine my remarks to the matter immediately in hand. I consider the amendment quite unnecessary, and I hope that, having succeeded in prolonging the debate, in causing myself and others to speak when we did not desire to do so, and in obtaining the little notoriety which he probably desires, the honorable member for Wentworth will now withdraw his amendment.

Mr. KING O'MALLEY (Darwin).—The honorable member for Wentworth is making this a parochial question. Probably I can see more plainly than do other members of the Committee that honorable members of this generation must die and a new generation be born before this Parliament will become national. Every question discussed in this House is discussed from the village blacksmith stand-point. The honorable member for Maranoa talks of the great State of Queensland being in a state of starvation. Other honorable members are talking of what Victoria has done for Western Australia. I say that, ten or twelve years ago, Western Australia was a god-send to Victoria. That State was the promised land, flowing with milk and honey, and people from Victoria went over there by every boat they could get to carry them. Many of them filled their pockets with gold and sent it back to their wives and children in this State. Hundreds of thousands of pounds have been sent through the post-office from Western Australia to Victoria, and Victorians should be the last to oppose this proposal, involving a paltry £20,000. If he were imbued with a truly national spirit, the honorable member for Wentworth would think nothing of paying the amount out of his own pocket. I remind honorable members that men and women who are subject to seasickness must, in existing circumstances, refrain from going to Western Australia. Years ago, when, in the United States, they started the Union Pacific Railway across the continent, no one was ever heard to oppose it. Every man and woman on the American continent helped to build it, because it was a national work, and meant connecting and cementing the people of all parts of the United States.

Mr. McWILLIAMS.—Is that a Government work?

Mr. KING O'MALLEY.—The United States Government put millions of pounds into the Union Pacific Road. If they had not subsidized it the railway would never have been built.

Mr. KELLY.—It is a private road through some of the richest country in the world.

Mr. KING O'MALLEY.—When the railway was being built people did not know that it was a rich country. There was, on the route, a thousand miles of desert as bad as the desert of Sahara. But the genius of the American people enabled them to strike the magic rock, water was poured forth, and that country was made one of the most productive in the world. We ought to awaken from our sleep, and make the country between Fort Augusta and Kalgoorlie smile and blossom like the rose. I was amazed to hear the honorable member for Wentworth suggest that Western Australia should, in a certain contingency, repay this money. Suppose this Parliament, in its wisdom, or unwisdom, should in a few years decide not to carry on the work, would that be the fault of Western Australia? Will honorable members pledge themselves to build this railway if the survey should be favorable?

Mr. RONALD.—We are doing that now.

Mr. KING O'MALLEY.—No; there is no agreement beyond the survey. Honorable members ought to be consistent, or

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devote themselves to village politics. When the States entered Federation, they knew why they took that step.

Mr. KELLY.—It was not for the purpose of a Western Australian railway.

Mr. KING O'MALLEY.—Victoria and every other State were very willing to give promises, but what we want now is some fulfilment. I represent a State which cannot possibly benefit from a transcontinental railway, unless it be a submarine railway; and yet, though I stand alone, I shall every time vote for the construction of a line between east and west. I am continental—I belong to the whole Commonwealth, and not only to the State of Tasmania.

Mr. LONSDALE.—The honorable member is "talking out" the Bill.

Mr. KING O'MALLEY.—Why should I "talk out" the Bill?

Mr. DUGALD THOMSON.—Let us vote, then.

Mr. KING O'MALLEY.—At the same time, we want to know that we "have the numbers" before we come to vote. If I were sure we "had the numbers," I should be prepared to sit down at once, but I understood from the member for Corangamite that things "look a bit blue." I am in favour of this railway, or any other proposal which will tend to bring the people together, and consolidate the Commonwealth. It is nonsense for honorable members to talk about their States and pauperism; the States were able to carry on before those honorable members were born, and when they are dead and their spirits fluttering around the lit gilt of the New Jerusalem, the States will still go on without them.

Mr. McWILLIAMS (Franklin).—I regard the proposal of the honorable member for Wentworth as exceedingly fair, and it would be accepted by the representatives of Western Australia if there was any real earnestness on their part, or they had the slightest faith in the success of the proposed railway. The proposal before us is to vote a certain amount in order to carry out a survey; and is it deliberately proposed that we are to stop there? If the survey is a favorable one, and Parliament is then not prepared to proceed with the work, the vote now asked for will be absolutely wasted.

Mr. KING O'MALLEY.—That will be the fault of Parliament.

Mr. McWILLIAMS.—There are honorable members voting for the survey who have no intention to vote for the construction of the railway. We have a perfect right to ask that Western Australia and South Australia shall give some proof of their *bona fides*.

Mr. CARPENTER.—Those States have spent thousands of pounds already.

Mr. McWILLIAMS.—Those States ought to provide every penny for the survey, and show this Parliament that they believe the project will be a profitable one, which the States might be asked to carry out.

Mr. POYNTON.—Western Australia and South Australia will next be asked to construct the railway, and hand it over to the Commonwealth.

Mr. McWILLIAMS.—I do not desire that the railway should be constructed and handed over to the Commonwealth. That is a question which I cannot debate on the present amendment, but it is the height of absurdity for the Commonwealth to build a railway for comparatively few miles, dovetailed in between railways owned by the States. Are we prepared, as a general policy for the Commonwealth, to carry out public works in States without the slightest responsibility being assumed by those States? Western Australian members have appealed to us to-night to accept the whole of the responsibility, in order that the energies and industries of their State may be developed. But there are other States the natural development of which is absolutely retarded, because of the want of money caused by Federation. I am in perfect sympathy with the speech made by the honorable member for Maranoa to-night, because every word he said in regard to Queensland is applicable to Tasmania.

Mr. FOWLER.—What about the subsidy on the shipping line between Victoria and Tasmania?

Mr. McWILLIAMS.—I am opposed to that subsidy.

Mr. CARPENTER.—But Tasmania gets the benefit of the subsidy, and also of the cable, for which the other States pay.

Mr. McWILLIAMS.—I think my views on the question of subsidies are fairly well known. I never was a supporter of a subsidy on a shipping line to Tasmania, and unless my views materially alter, I never shall be.

Mr. FOWLER.—Is it not a fact that Tasmania gets that money?

Mr. McWILLIAMS.—It is a fact.

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Mr. FOWLER.—Then it does not matter whether the honorable member is opposed or is not opposed to the subsidy.

Mr. McWILLIAMS.—I was not in the Federal Parliament at the time, but had I been, I should not have supported that subsidy. We are not asked to be just, but to be generous, to Western Australia, and it is also right that we should be just and generous to the rest of the Commonwealth. If there were a proposal to continue railway communication from the terminus in Queensland to the far North or the far West, would it receive the support of Western Australian representatives? In my opinion, it is all clap-trap to talk of this Inter-State line as necessary for defence purposes; I do not believe that is a fair and honest view. If we are prepared to give direct railway communication with Western Australia, let us do so with our eyes open; but do not let honorable members say that this proposed vote is part of the defence expenditure.

Mr. FOWLER.—That is one of the reasons for the construction of the railway, but not the only reason.

Mr. McWILLIAMS.—One of the claims which were put forward by the right honorable member for Swan why we should not insert the amendment, and should carry the Bill as it stands, was that some thousands of persons had gone from Victoria to Western Australia, and were maintaining their families here. I am one of those who say that in the matter of that exodus Western Australia has had the best of the deal. Since Western Australia received the best men of Victoria, even if they do send a portion of their earnings to their families, it is decidedly the gainer, and to that extent Victoria is the loser. I think that the people of Victoria and their representatives would not be sorry to see some thousands of able-bodied men come from other States, and earn good wages here, even if they did send remittances to their families.

Mr. KING O'MALLEY.—They would come if Victoria had good laws such as Western Australia has.

Mr. McWILLIAMS. — The honorable member for Darwin will bear me out when I say that some thousands of able-bodied Victorians came to the West Coast of Tasmania, and did there exactly what the right honorable member for Swan says Victorians are doing in Western Australia. I consider that there, too, Tasmania had the best of the deal. If the Government and the Parliament of the Commonwealth are in earnest, this vote is being passed with a distinct determination to construct the railway if the report on the survey be favorable. But if it is simply, as the honorable and learned member for Wannon said, a political or personal proposal, the Committee has no right to pass it, unless, of course, it is intended to construct the railway if the report on the survey be favorable. If the report be favorable, and the railway be constructed, Western Australia will never be asked to contribute a shilling towards its cost. It is not fair to handicap States like Queensland and Tasmania—in which public works are stopped, if not absolutely, to a very considerable extent, because of the condition of the finances—with what is not, I hold, a legitimate charge upon the Commonwealth. The honorable member for Darwin has given us a glowing picture of what has happened in the United States. But he did not mention how many years the States had been federated before that railway was undertaken, nor did he say that it was undertaken by a company for which the Government are not responsible, and over which the people have no control, except by means of the sections which are in every Railway Construction Act.

Mr. KING O'MALLEY.—They were robbed of millions.

Mr. McWILLIAMS.—The conditions are not at all similar. This is distinctly a matter between the States which are directly interested. The people of the Commonwealth have no more right to be called upon to construct a railway in Western Australia, or South Australia, than a railway in Victoria or Queensland.

Mr. DAVID THOMSON.—That will be done some day.

Mr. McWILLIAMS.—If that is to be the recognised policy of the Commonwealth, let it be confessed at once. It is not proposed, however, that it shall be done. It is merely proposed to pass a special vote because certain promises were made by some irresponsible men prior to Federation.

Mr. FRAZER.—Does the honorable member say that the then Premiers of the States were irresponsible men?

Mr. McWILLIAMS.—They were irresponsible men when they attempted to pledge a Parliament of which they were not members at the time.

Mr. FRAZER.—They were leaders of public opinion, and of the Federal movement.

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Mr. McWILLIAMS.—I doubt very much whether some of the Premiers did lead public opinion. I believe that if the people could be consulted, my view would be indorsed. I shall support the amendment because it is a fair one, and the representatives of Western Australia ought to be satisfied to accept the vote on those conditions.

Mr. KELLY (Wentworth).—I propose to answer the speech of the right honorable member for Swan as briefly as I think it deserves, and to reply to some other remarks, especially those from the Prime Minister. Surely the right honorable member for Swan should appreciate the fact that this amendment was not moved in any petty spirit. I made my position perfectly clear to the Committee.

Mr. PAGE.—He does not mean it.

Mr. KELLY.—I do not believe that the right honorable member means it now, but he certainly meant it when he spoke.

Sir JOHN FORREST.—The whole thing is very small.

Mr. KELLY.—What are the right honorable gentleman's arguments? He says that the railway is not intended for the sole benefit of Western Australia and South Australia. Certainly, it is not intended for the sole benefit of South Australia, because she will not have anything to do with it.

Mr. POYNTON.—The honorable member does not know anything about the matter.

Mr. KELLY.—The Government of South Australia, which is almost as good an authority as the honorable member, has not yet made any move; indeed, it has thrown every obstacle in the way of this proposal. To proceed, we were also told that the railway is required for defence purposes; but that argument has been thoroughly dispelled. We were further told that this railway is essential for the existence of the Federation. Our right honorable friend has paraded this phase of the question on all possible occasions. He tells us that this railway was promised at the Conference of Premiers. If that was so, why, then, was it not included in the Constitution, like the sliding scale? All we know is that the right honorable gentleman stumped Western Australia and told the people that they were to get this railway if they federated. It is very much to his credit that he now comes forward and tries to redeem that promise, which he personally made to his own State; but that is a question solely between himself and the people of that State. It is not a subject for this House necessarily to take into consideration.

Mr. FOWLER.—A promise was definitely made by the honorable member's leader, time and again.

Mr. KELLY.—At that particular time?

Mr. FOWLER.—Yes.

Mr. KELLY.—Certainly the proposals of the right honorable member for East Sydney could not bind the Commonwealth. The Constitution alone could do that. Mr. Reid could merely express his own opinion of what would happen. He is quite at liberty to hold his opinion, as we all are. We, however, are now here to express the opinions of our constituents as to the expenditure involved in this proposal. I am taking this attitude——

Sir JOHN FORREST.—In opposition to the Government, I suppose?

Mr. KELLY.—Certainly not. I am here as the representative of my constituency, and am now carrying out a promise I made to that constituency to oppose this railway. It would surely be lamentable if every honorable member who rose to oppose anything upon which the right honorable member had set his heart should be subject to such exhibitions as that to which I was subjected a few moments ago.

Sir JOHN FORREST.—The whole thing is small.

Mr. STORRER.—The right honorable member himself objects to interjections.

Mr. KELLY.—The right honorable member objects most strongly to any one interjecting when he is speaking, but when I was speaking the other day, I would like to remind him that *Hansard* shows that his interjections were in places more frequent than my remarks, so much so that the Chairman had to call him to order on several occasions. But I was not overbearing to him then. I did not turn on him as if he deserved rending. I am full of good nature and Christian charity. To return to the subject of the railway, however, which is of more importance than the right honorable gentleman's advocacy of it, we have been told that Western Australia is quite prepared to alter the gauge. Does this prove anything beyond the fact that that State is very much in the position of a man who does not care what shape a present takes so long as he gets it? We all know that the proposed railway, if constructed, would enormously benefit Western Australia.

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Sir JOHN FORREST.—How is that?

Mr. KELLY.—Why does the right honorable member advocate its construction if he does not think that it will benefit Western Australia? Is he advocating it in the interests of the eastern States?

Sir JOHN FORREST.—In the interests of Australia as a whole.

Mr. KELLY.—In the interests of Australia as a whole, then he need not object to my amendment. My amendment has been drafted, however, to meet a contingency which, according to the right honorable member, will never arise.

Mr. CARPENTER.—The honorable member is opposed to the Bill altogether.

Mr. KELLY.—The honorable member ought not to say that now. I am opposed to the Bill only if I cannot get the proposed new clause inserted; but, certainly, in that event I shall oppose the third reading to the utmost of my ability. I have moved this amendment to give Western Australian representatives a chance of proving their *bona fides*. They, however, shirk the whole question. The facts remain that if their contentions are right, my proviso will never come into effect. If the railway is thought likely to prove a boon to the Commonwealth, the proviso will not operate; but if the survey shows that the line would not prove successful, the States concerned should pay the cost.

Mr. MCWILLIAMS.—The verdict should carry costs.

Mr. KELLY.—Yes, even in this case. The Prime Minister has told us that there are issues involved which are quite apart from the railway. I agree with him in that. But if the reports of the surveyors show that the construction of the railway would not be of advantage to the Commonwealth, even though the survey may result in the discovery of mineral or other resources, and the exploitation of the country traversed, why should the eastern States pay for that from which they will have got on benefit? Is there not good country in the eastern States, and in the south-eastern portion of South Australia, which offers a far likelier field for exploitation and development than that through which the proposed railway would pass? Why, then, is it not proposed to explore it at the expense of the Commonwealth? I have given my reasons for my proposal as briefly as possible, and I hope that the Committee will soon come to a vote on this amendment.

Mr. KENNEDY (Moira).—I have no desire to prolong the discussion, but I wish to reaffirm my contention that the proposed survey is unwarrantable at the present time, more particularly in view of the fact that one of the States through which the line, if constructed, would pass has not yet consented to allow the Commonwealth to interfere in the matter.

Sir JOHN FORREST.—That State is asking for more information.

Mr. KENNEDY.—Yes, but she is not prepared to pay for it. That is the question raised by the proposed new clause. The honorable member for Wentworth proposes that, in the event of the railway not being proceeded with, the two States concerned should bear the cost of the survey. To my mind, there is nothing unreasonable in that proposal. I shall not deal with the general question again, because I have already expressed my opinions on the subject, but it is strange that this proposal should be brought forward at a time when funds are not very plentiful, and that it should be supported by honorable members who, from the inception of this Parliament, have posed as economists. The position is one which I cannot, at first glance, understand.

Mr. FOWLER.—We have a good case.

Mr. KENNEDY.—The merits of the case have not altered. We have to-day practically no more information than we had two and a half years ago. The reports of the railway authorities of the States confirm the information which was at our disposal when the proposal was first mooted, that is, that under the most favorable estimate there would be a considerable loss on the working of the line for a number of years to come. The suggestion that the line is required for the defence of Australia has been shattered by the best military authority we have had.

Mr. FOWLER.—He only said that our Forces should be called into existence first.

Mr. KENNEDY.—We know the temper of the House in regard to military expenditure; the desire is to economize in every direction. Surely it is hardly necessary to build a railway for the carriage of troops when we are not disposed to vote money for their maintenance. However, I am willing to abide by the will of the majority, though I see no justification either for the construction of the proposed railway or for the proposed survey. If a survey is necessary, the two States immediately concerned should be willing to bear the cost of

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it. One of the States concerned refuses its assent in any shape or form, and, even if the proposed railway were favorably reported upon, we could not feel assured that South Australia would consent to the construction of the line. I do not wish to debate this matter any further. I am prepared to abide by the will of a majority; but I shall certainly support the amendment of the honorable member for Wentworth.

Mr. STORRER (Bass).—I shall act with perfect consistency in this matter by supporting the amendment, because I have been opposed to the expenditure of any money upon the proposed railway. I promised my constituents that I would oppose the construction of the line, until the Commonwealth took over the whole of the States railways and the States debts.

Mr. FRAZER.—Hear hear; that is straight enough.

Mr. STORRER.—We have heard a great deal about the necessity for conserving the rights of the States; but I think that we shall encroach upon the rights of South Australia if we make the proposed survey through her territory without her consent.

Mr. POYNTON.—She has given her consent to the survey.

Mr. STORRER.—I realize that if we incur an expenditure of £20,000 upon the survey, we shall probably be committed to the construction of the railway, and the further outlay of £4,000,000, or £5,000,000 which that work will involve. Almost invariably the reports upon proposed railways are of a favorable character, and the results are generally disappointing, particularly in cases where the line has to pass through country such as that which will be traversed by the proposed line.

Mr. PAGE (Maranoa).—The right honorable member for Swan, and the honorable member for Darwin have had a great deal to say with regard to the profit which Victorians have derived from Western Australia. I should like to know whether the people of Western Australia were in such a philanthropic mood that they did not require the people of Victoria to earn all the money they have derived from the western State.

Mr. FOWLER.—They could not have earned the same amount of money in any other part of Australia.

Mr. PAGE.—If they come up to Queensland we will find for them equally profitable employment. We want population.

Mr. FRAZER.—Queensland wants men to work to produce her subsidized sugar.

Mr. PAGE.—The honorable member wants them to work upon his subsidized railway. He is prepared to rob the other States of the Commonwealth of about £5,000,000. The £20,000 will not represent the only expenditure. Even when the railway is built, we shall not have reached the end of our liability, because there is very little doubt that from the day of its completion to the end of our lives it will prove a drag upon the whole Commonwealth.

Sir JOHN FORREST.—No.

Mr. PAGE.—It is all very well for the right honorable gentleman to say "No"; but figures can be made to prove anything. I would ask how many of the working miners at Kalgoorlie are likely to travel over the proposed line to Sydney or Brisbane?

Mr. POYNTON.—Thousands and thousands.

Mr. PAGE.—Many thousands will continue to travel by steamer. Some honorable members have cavilled at the sugar bonus, but I would tell them that Queensland gives the other States full value for the money they contribute. If the people of the other States could get cheaper sugar elsewhere, they would not consume the Queensland product. A large quantity of glucose is imported into Western Australia. I should like to know whether it is used for blasting purposes, or as a substitute for sugar? If Western Australia did not receive full value for her money she would not maintain such a large number of Victorians and others from the eastern States.

Mr. FOWLER.—We have never said anything to the contrary.

Mr. PAGE.—The honorable member for Swan has contended that Western Australia has been very good to the other States, but there are two sides to that question. If the amendment does no good, it can do no harm. It will tend to protect the revenues of the States, and if the railway is likely to prove the good thing that the representatives of Western Australia would have us believe, they should be prepared to adopt it.

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Question—That the words proposed to be added be so added—put. The Committee divided.

Ayes	... ...	11
Noes	... ...	35
Majority	... ...	24

AYES.

Edwards, R.	Thomson, D. A.
McWilliams, W. J.	Tudor, F. G.
Page, J.	Wilson, J. G.
Phillips, P.	*Tellers:*
Ronald, J. B.	Kelly, W. H.
Storrer, D.	Kennedy, T.

NOES.

Bamford, F. W.	Mauger, S.
Brown, T.	McCay, J. W.
Carpenter, W. H.	McDonald, C.
Chanter, J. M.	McLean, A.
Chapman, A.	O'Malley, K.
Conroy, A. H. B.	Poynton, A.
Cook, J.	Reid, G. H.
Ewing, T. T.	Skene, T.
Fisher, A.	Smith, S.
Forrest, Sir J.	Spence, W. G.
Fowler, J. M.	Thomas, J.
Frazer, C. E.	Thomson, D.
Hutchison, J.	Watson, J. C.
Isaacs, I. A.	Webster, W.
Johnson, W. E.	Wilks, W. H.
Lee, H. W.	*Tellers:*
Liddell, F.	Groom, L. E.
Lonsdale, E.	Watkins, D.

PAIRS.

Robinson, A.	Mahon, H.
Maloney, W. R. N.	Smith, B.
Knox, W.	Fuller, G. W.
Gibb, J.	Deakin, A.

Question so resolved in the negative.

Amendment negatived.

Mr. LONSDALE (New England).—As honorable members are aware, I have previously given notice of an amendment to this clause, having reference to the reservation of a certain area of land upon either side of the projected railway. The Western Australian Parliament has already agreed to such a reservation being made, but the South Australian Government has not done so. I have no desire to penalize Western Australia because of the neglect of South Australia in this connexion. It is obvious that the railway, if constructed, will increase the value of the land through which it passes, and it seems to me that it would be most unreasonable to allow that land to be open for private exploitation.

Mr. POYNTON.—The South Australian Parliament is not in session just now.

Mr. LONSDALE.—But I understand that the Premier of that State is adverse to my proposal. I fail to see why the eastern States should be called upon to contribute towards the cost of this line—to give an enhanced value to the lands through which the railway will pass—without obtaining anything whatever in the nature of a return. When the Bill authorizing its construction is under consideration, I shall submit an amendment in the direction which I have already outlined, but at the present time I shall not press it.

Clause agreed to.

Clause 3 agreed to.

Preamble and title agreed to.

Bill reported without amendment; report adopted.

Mr. REID.—I would ask honorable members to allow this measure to pass its third reading, so that it may be transmitted to the Senate without delay. Accordingly, I move—

That the Bill be now read a third time.

Question put. The House divided.

Ayes	... ...	33
Noes	... ...	14
Majority	... ...	19

AYES.

Bamford, F. W.	McCay, J. W.
Brown, T.	McDonald, C.
Carpenter, W. H.	McLean, A.
Chanter, J. M.	O'Malley, K.
Chapman, A.	Poynton, A.
Conroy, A. H. B.	Reid, G. H.
Ewing, T. T.	Skene, T.
Fisher, A.	Smith, S.
Forrest, Sir J.	Spence, W. G.
Fowler, J. M.	Thomas, J.
Groom, L. E.	Thomson, D.
Hutchison, J.	Watkins, D.
Johnson, W. E.	Watson, J. C.
Lee, H. W.	Webster, W.
Liddell, F.	*Tellers:*
Lonsdale, E.	Frazer, C. E.
Mauger, S.	Wilks, W. H.

NOES.

Cook, J.	Salmon, C. C.
Culpin, M.	Storrer, D.
Isaacs, I. A.	Thomson, D. A.
Kelly, W. H.	Wilson, J. G.
McWilliams, W. J.	
Page, J.	*Tellers:*
Phillips, P.	Kennedy, T.
Ronald, J. B.	Tudor, F. G.

PAIRS.

Smith, B.	Maloney, W. R. N.
Fuller, G. W.	Knox, W.
Deakin, A.	Gibb, J.
Mahon, H.	Robinson, A.

Question so resolved in the affirmative.

Bill read a third time.

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ADJOURNMENT.

Artillery Practice at Fort Gellibrand.

Motion (by Mr. Reid) proposed—

That the House do now adjourn.

Mr. MAUGER (Melbourne Ports).—I wish to direct the attention of the Minister of Defence to a matter of importance. I have before me a copy of a notice which has been served on residents of Williamstown, stating that artillery practice will take place at Fort Gellibrand between the hours of 3 p.m. and 6 p.m. on certain dates. A previous occupant of the office of Minister of Defence visited Williamstown, and was impressed by the very great destruction of property caused by the firing of the guns in the fort. Some attempt was made to meet the difficulty by regulating the character of the firing, but I would urge the Minister to take action to deal with the evil. Houses and their contents are being destroyed, owing to the vibration caused by the discharge of the guns. It is a very serious matter to property-owners in the neighbourhood, many of whom are poor persons, and I trust that the Minister will do what he can to minimize the trouble.

Mr. McCAY (Corinella—Minister of Defence).—I promise the honorable member that I shall institute full inquiries to-morrow to ascertain, both the extent of the damage, and what steps are possible to avoid further injury to property.

Mr. Brown.—What about the firing on an Inter-State steamer?

Mr. McCAY.—So far I have no official knowledge of that incident.

Question resolved in the affirmative.

House adjourned at 10.48 p.m.

Senate.

Wednesday, 30 November, 1904.

The President took the chair at 2.30 p.m., and read prayers.

PETITION.

Senator PEARCE presented a petition from 253 electors in New South Wales, being the presidents and secretaries of various trade unions in that State, and representing 50,000 or 60,000 members, praying the Senate to pass into law certain provisions in the Trade Marks Bill relating to trade union labels.

Petition received, read, and ordered to be printed.

NOTICES OF MOTION.

Senator Lt.-Col. NEILD (New South Wales).—In terms of standing order 102, sir, I beg to give notice that on the 8th December I shall move notice of motion No. 3, on to-morrow's notice-paper, relating to the report of the Standing Orders Committee on the Parliamentary Evidence Bill. I am not quite sure whether I can give notice to-day, under the standing order, or whether I ought to wait until to-morrow to do so.

The PRESIDENT.—Sometimes there seems to be a difference of opinion between the Clerks and an honorable senator as to the notice given, and therefore I call the attention of honorable senators to standing order 98, which reads as follows:—

Notice of motion shall be given by the senator stating its terms to the Senate and delivering at the table a copy of such notice, fairly written, signed by himself, and showing the day proposed for bringing on such motion.

That standing order ought to be complied with, because a case has been brought under my notice in which there was a difference of opinion as to the notice given.

Senator Lt.-Col. NEILD.—I thank you, sir, and I shall be glad to be the first to obey your ruling in this matter.

The PRESIDENT.—There is nothing before the Senate.

Senator Lt.-Col. NEILD.—If I am in order——

The PRESIDENT.—Are there any other notices of motion?

Senator Lt.-Col. NEILD.—I am suggesting a matter which comes under that heading. Last week I made a mistake.

Senator Dawson.—Is the honorable senator appealing against your ruling, sir?

The PRESIDENT.—I understand that Senator Neild is giving notice of a motion.

Senator Clemons.—But is he giving notice of a motion?

Senator Lt.-Col. NEILD.—I am dealing with a fresh matter.

The PRESIDENT.—I understand that Senator Neild is giving notice of motion.

Senator Lt.-Col. NEILD.—With reference to a notice of motion standing in my name for the 15th December, *Hansard* shows that I made a kind of double-barrelled mistake last week. I put the business

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down for the 15th December, and at the same time used the phrase "next motion day."

The PRESIDENT.—What is it that the honorable senator wishes to do now?

Senator Lt.-Col. NEILD. — I wish to know, sir, whether it is possible for the notice in question to be transferred to the 8th December, the first motion day?

Senator Sir JOSIAH SYMON.—It is necessary that we should have a clear understanding as to what is being done with the notice-paper. I venture to submit, sir, that a notice of motion set down for the 15th December cannot now be altered by way of anticipation. A notice of motion may be postponed, but it cannot be anticipated, and I should like to have a ruling on the point, so that we may know where we are.

The PRESIDENT.—I have never read in any text-book any report of a notice of motion being brought on before the day for which it was given. I think that Senator Neild several times mentioned the words 15th December. The Clerks took the notice down for the 15th December, and I think it will have to stand for that date.

Senator MCGREGOR.—But Senator Neild has said that he intimated that he wished this notice of motion to be set down for the first day on which notices of motion were to be taken. The honorable senator should always have an opportunity of having a notice of motion set down for each Thursday!

Senator Sir JOSIAH SYMON.—Will you, sir, intimate to the Senate whether any change has been made on the notice-paper.

The PRESIDENT.—No change can be made by bringing forward a motion. The consequence of such a proceeding would be very serious indeed.

Senator Sir JOSIAH SYMON.—In terms of the standing order?

The PRESIDENT.—A notice of motion may be put down for a day subsequent to that which was first named, but not for an earlier date.

Senator Lt.-Col. NEILD.—I desire to ask you, sir, a question with reference to the interpretation of a standing order.

The PRESIDENT.—I do not think that the honorable senator ought to ask me any abstract question, as I am only here to answer questions as they arise.

APPROPRIATION (WORKS AND BUILDINGS) BILL.

Assent reported.

PACIFIC ISLAND LABOURERS ACT.

Senator HIGGS asked the Attorney-General, *upon notice*—

1. Has the Prime Minister and Minister for External Affairs observed the following telegram in the *Argus* of the 16th November:—

> "A return regarding the Pacific Islanders in the State, tabled in the Legislative Assembly, showed that the total number of islanders in Queensland in 1903 was 8,614, as compared with 8,878 in the previous year. The annual report, under the Emigration Act, upon Pacific Island immigration, also tabled, stated that 1,037 labourers arrived during the year, while 1,065, accompanied by 32 children, were returned"?

2. Were 1,037 kanaka labourers brought into Queensland in 1903 in accordance with section 6 of the Pacific Island Labourers Act, which states that during the year 1903 licences shall be granted for the importation of "not more than one-half of the number of Pacific Island labourers who have returned to their native islands during the year 1902"?
3. Is the Prime Minister aware that 1,775 kanaka labourers left Queensland for their islands during the year 1902 (see page 5, Statistics of Queensland, 1903)?
4. Will the Prime Minister make inquiries as to the discrepancy shown between the number of kanakas returned in 1902 and the number brought to Queensland in 1903?
5. Will the Prime Minister ascertain for the information of the Parliament whether any kanakas have entered Australia since 31st March, 1904; and also how many kanakas left Australia during the six months ended 30th June, 1904?

Senator Sir JOSIAH SYMON. — The answers to the honorable senator's questions are as follow:—

1. Yes.
2. No; see reply to question 4.
3. Yes.
4. During 1903 licences to recruit 888 islanders, the number provided for by Statute, were issued. In addition to that number approval was given to applications by the Queensland Government for the re-issue of licences to the number of 240 on account of labourers previously short shipped or rejected.
5. (*a*) No Pacific Islanders have entered the Commonwealth since the 31st March, 1904.

(*b*) 222 Islanders left the Commonwealth during the six months ended 30th June, 1904.

DUTY ON CHINA OIL.

Senator DAWSON (for Senator TURLEY) asked the Attorney-General, *upon notice*—

As the Government have decided to refund all moneys lodged in terms of section 167 of the Customs Act for payment of duty on China oil, and all duties paid under protest on such oil, if applications for refunds are made by the persons making such deposits or paying such duties, will the Government refund all moneys paid since 8th October, 1901, as duties on China oil conforming to the definition contained in Order 436 to all

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persons who have paid same, irrespective of whether such duties were paid under protest or deposited in terms of section 167 of the Customs Act?

Senator Sir JOSIAH SYMON. — The answer to the honorable senator's question is as follows:—

It appears to be doubtful if the duties referred to as not paid under protest or deposited in terms of Section 167 of the Customs Act, can be legally refunded, but the Government will make further inquiries, and if necessary refer the question to the Commonwealth law officers before finally deciding.

IMMIGRATION RESTRICTION ACT.

Senator PEARCE asked the Attorney-General, *upon notice*—

Has the Government any objection to lay on the Table of the Senate a *précis* of the correspondence between the Government of the Commonwealth and the Government of India, in relation to the admittance of residents of India into the Commonwealth under a system of passports?

Senator Sir JOSIAH SYMON.—No.

CUSTOMS SEIZURE OF JAPANESE GOODS.

Senator PEARCE asked the Attorney-General, *upon notice*—

In reference to the answer given by the Honorable the Minister to the question asked by Senator Pearce on Thursday, 24th November, in regard to the seizure and sale of certain undervalued goods in Melbourne—

1. Has there been a similar seizure in Sydney during the past few months?
2. Was the importer a person of the same name?
3. If not, will the Government give the name of the person?

Senator Sir JOSIAH SYMON. — The answers to the honorable senator's questions are as follow:—

1. No.
2. and 3. Certain importations of the same class of goods and by the same person were passed by the Customs in Sydney. Strict inquiry is now being made as regards the whole transaction.

SEA-CARRIAGE OF GOODS BILL.

Third Reading.

Motion (by Senator Sir Josiah Symon) proposed—

That the Bill be now read a third time.

Senator DOBSON (Tasmania).—I should like to move that this Bill be referred back to the Committee for the purpose of considering a new clause, which is, I think, absolutely necessary to make it perfect. But probably the Attorney-General can save me the trouble of moving for the recommittal. When the Bill was in Committee, I drafted a clause, and showed it to my honorable and learned friend, to the effect that the Bill should not apply to any contract for the shipment of fruit from any part of the Commonwealth signed prior to the passage of the measure. Because, as I pointed out, the method which the fruit-growers adopt in employing the mail steamers to ship their fruit to England, is to work through two large fruit merchants—H. Jones and Company and Peacock and Company—who enter into contracts with the steam-ship companies. The fruit-growers have nothing to do with the companies directly. The whole of the contracts are made by these two firms. I believe that the firms have entered into contracts with the companies for two years—one for the last season, and one for the coming season; and I think that in all fairness a clause should be prepared to save those contracts, and not make them absolutely void.

Senator Givens.—Then the shipping companies would, for twelve months, be exempt from the Bill.

Senator DOBSON.—That men can act the rogue under this measure, as they can under any Act of Parliament, is no reason why we should not insert a clause allowing things to remain as they are until the existing contracts run out. I sent a copy of the Bill to the two firms I have named, who have these contracts with the Peninsular and Oriental and Orient companies, and I have here a letter from the largest shipper, who hopes that the clause I have suggested will be inserted. It seems to me to be a proper clause, because, as the shipper points out to me, if the Peninsular and Oriental and Orient companies—I do not say that they will — think that the terms of the measure are so onerous that they cannot undertake to carry fruit under it without quoting enormously enhanced freights, the fruit-growers will not reap the advantage that they expected to do. But, as the firms of H. Jones and Company and Peacock and Company point out that they will be robbed of the benefits of their contracts, which apply to the whole of next year's fruit, my contention is that the Bill ought not to be made to apply to those contracts. I am astonished that my honorable friends opposite should think it right that contracts which have been entered into—as these con-

tracts have been for the last ten years—and upon which the whole of the fruit trade of Tasmania is conducted, should be rendered nugatory by an Act of Parliament. I am astonished at the sneers and jeers of honorable senators. It is another proof that sometimes they do not know the meaning of the provisions which they support. It will save time if the Attorney-General will tell me that he will ask the Prime Minister to give consideration to this very weighty matter when the Bill reaches the other House. I only desire that justice shall be done, and if my honorable and learned friend will assist me to the extent I have suggested, it will not be necessary for me to move the recommittal of the Bill.

Senator MACFARLANE (Tasmania).—I should like to add a word to what my honorable and learned friend, Senator Dobson, has said. I regret that I was not able to be present last week, as I was engaged in another part of the Commonwealth with the Navigation Commission. The fruit trade is entirely in the hands of the shipping companies for good or bad; and if we force upon them conditions which they cannot carry out easily and profitably, the result must be to add to the cost of transport. Unless fair notice is given, existing contracts will be null and void. In saying this, I am speaking by the book. The consequence will be the raising of freights to the exporters of fruit. I think, therefore, that in fairness and justice a clause ought to be added such as Senator Dobson has proposed. The clause need not be inserted by the Senate, but may be added in another place. It should provide that existing contracts may be allowed to run for twelve months or for six months; probably six months would be sufficient. To grant that term will only be acting with equity and justice, and without injury to any one.

Senator GUTHRIE (South Australia).—I think that this Bill illustrates the disadvantages of hasty legislation. The whole subject of bills of lading is provided for in the Navigation Bill, which was under the consideration of the Senate at the beginning of the session. The measure has been referred to a Royal Commission, which is at the present time taking evidence both in respect to the Navigation Bill generally and to the clauses which form part of the Bill under the consideration of the Senate. The two gentlemen mentioned by Senator Dobson have given evidence before the Commission, and both of them said that they preferred the clauses contained in the Navigation Bill to those which are embodied in this. They see now what any one might have seen at the beginning, that the shippers are not going to get the advantages that they expected from the measure. The shipping companies without a doubt intend to make themselves secure.

Senator Sir JOSIAH SYMON.—Is the honorable senator opposed to this Bill?

Senator GUTHRIE.—I am not prepared—and I have gone into the subject as closely as any honorable senator has done—to say whether the provisions are absolutely fair all round.

Senator DAWSON.—The other side have had a fair chance to put their case.

Senator GUTHRIE.—They have not had a fair opportunity. The Tasmanian shippers, at any rate, made very indefinite statements to the Royal Commission regarding the whole matter.

Senator DOBSON. — Because they are afraid that the Bill will interfere with the fruit-growing industry.

Senator GUTHRIE.—The Tasmanian fruit-growers have never expressed a fair opinion on the subject.

Senator GRAY.—The honorable senator is not defending the present bills of lading, is he?

Senator GUTHRIE. — No; but I say that the question is a very intricate one, which will bear a great deal of looking into. Honorable senators know perfectly well that a large shipment of fruit when placed on board a vessel cannot be minutely examined. We also know that the largest amount of damage which occurs to shipments of fruit is caused through over-ripe fruit being shipped. In fact, the Tasmanian shippers admit that the big losses of last year were caused by the presence of fruit that never ought to have been shipped. Do honorable senators expect the ship-owner to examine every apple?

Senator TURLEY.—The Bill does not say that.

Senator GUTHRIE.—The Bill says that the ship-owner is responsible. Would there not be negligence if the ship-owner took on board over-ripe fruit which caused damage? It is well known, I say again, that well-selected fruit is damaged by being shipped with fruit that is over-ripe.

Senator PLAYFORD.—The owners are not liable in that case.

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Senator GUTHRIE.—They will be liable. They are responsible. It is their fault if they take over-ripe fruit.

Senator Sir JOSIAH SYMON.—If they take over-ripe fruit which damages other fruit, they ought to be liable.

Senator GUTHRIE.—Suppose there are a dozen shipments of fruit from a dozen different fruit-growers; that eleven of those growers have carefully selected their fruit, and put it in the refrigerators in perfect order; but that one grower ships over-ripe fruit, which damages the whole of the rest of the cargo. We have evidence that there is fruit lying in Tasmania to-day which has been there since last May, and which it is intended to ship during the coming season. The evidence goes to show that over-ripe fruit, on being placed in the refrigerating chambers, throws off a considerable amount of carbonic acid gas, which may damage the whole of a shipment, or even destroy it utterly. I say that if a ship-owner takes on board over-ripe fruit he is liable to damages under this Bill for negligence.

Senator GRAY.—Not a bit of it.

Senator GUTHRIE.—It must be so.

Senator PLAYFORD.—He is only liable for his own negligence in respect of proper loading or stowage.

Senator GUTHRIE.—The whole question is—who is going to be responsible for over-ripe fruit which damages a whole shipment? The ship-owner, in the usual way of signing a bill of lading, signs for the case; he does not sign for the fruit. He signs that the cases are in good order and condition.

Senator CLEMONS.—If a ship-owner is sued for damages, does the honorable senator say that he has to prove a negative? The onus of proof is on the man who brings the action.

Senator GUTHRIE.—What I say is that, if some fruit is shipped by means of which a cargo of fruit is injured, the ship-owner will be held to be liable. It will be an easy matter for the eleven shippers in the instance I have cited to say, "We can prove that our fruit was in good condition when it was put on board the ship, but it has turned out bad." Would not the ship-owner be liable then?

Senator MCGREGOR.—Surely not, unless it was proved that his negligence was the cause of the damage.

Senator GUTHRIE.—Who is going to prove that the other fruit was over-ripe? The ship-owner must, in his evidence, say that the other fruit was damaged by the over-ripe fruit.

Senator MCGREGOR.—No.

Senator GUTHRIE.—I cannot see how honorable senators can avoid the argument. If eleven shippers put fruit on board a ship in good condition, and if when the fruit arrives at the other end of the world it is proved to be bad, the question arises, "How has it become bad?"

Senator MCGREGOR.—It may be due to careless packing.

Senator GUTHRIE.—If the consignee refuses to accept delivery, and an action is brought, the ship-owner will have to prove that the damage was not due to any negligence of his.

Senator Sir JOSIAH SYMON.—No; the consignee will have to prove the ship-owners' negligence.

Senator GUTHRIE.—But it will be proved that the fruit was put on board in good condition. I should like to see the Attorney-General appearing in a case of this sort.

Senator Sir JOSIAH SYMON.—I should have no difficulty.

Senator GUTHRIE.—On either side, I suppose. There will be absolute proof that the fruit was in good condition, and that there was the mate's signature to the bill of lading.

Senator Sir JOSIAH SYMON.—That is only *primâ facie* evidence.

Senator GUTHRIE.—There will, no doubt, be expert evidence that the fruit was put on board in good condition, and plenty of proof that it was bad when landed. There will, further, be expert evidence that fruit can be carried in refrigerating chambers without coming to any harm; and the natural inference will be that there must have been negligence either in taking fruit on board in an over-ripe condition, or in badly stowing it. According to the evidence given before the Royal Commission the Tasmanian output of applies was doubled last year, and, as the number of trees could not be doubled, the conclusion to be drawn is that the growers shipped every apple, good and bad, that was to be found in the island.

Senator DOBSON.—No; it was a very wet season, and there was a good crop.

Senator Sir JOSIAH SYMON.—There are other ways of doubling the output.

Senator GUTHRIE.—Apples cannot be manufactured.

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Senator Sir JOSIAH SYMON.—But they can be grown.

Senator TRENWITH.—Last year was a phenomenal year for growth.

Senator GUTHRIE.—I know that, so far as the keeping of apples was concerned, it was a phenomenally bad year, there being heavy rains, which did the fruit no good. The Royal Commission have not been able yet to ascertain the cause of the apples going bad, and there is considerable conflict of evidence amongst experts as to the best means of carrying the fruit. So far as I can learn, no method has yet been adopted whereby the carbonic acid gas can be extracted from the chambers.

Senator GIVENS.—If the chambers are properly ventilated there will be no gas.

Senator GUTHRIE.—If there are ventilators a regular temperature cannot be kept. The best of refrigerating experts say that it is impossible to have ventilators and preserve an even temperature.

Senator GIVENS.—It would cost a little more, that is all.

Senator PLAYFORD.—The fruit can be carried with the dry air process.

Senator GUTHRIE.—But that generates the gas just as much as does the other process; indeed, we are told that the former generates more gas.

Senator PLAYFORD.—What destroys the apples is excessive moisture.

Senator GUTHRIE.—We are told by experts that it is the gas, and not the moisture, which destroys the apples. There is evidence that there are varying temperatures in the chamber, but, on the other hand, experts say that it is an utter impossibility to keep an even temperature in all parts of the chamber. In one corner the temperature may be down to 32 or 33 degrees, while in another corner, with the same machinery, and with distribution as perfect as it is possible to make it, the temperature may be 38 or 40 degrees.

Senator PLAYFORD.—A temperature of 38 degrees will not hurt apples.

Senator GUTHRIE.—The shippers ask for legislation to compel a uniform temperature of from 32 to 38 degrees, and everybody knows that a temperature of 32 degrees, which is freezing point——

Senator PLAYFORD. — Destroys the apples.

Senator GUTHRIE.—Such a temperature freezes the produce; and yet it was that for which the deputation to the Prime Minister asked.

Senator PLAYFORD.—They did not know what they were talking about.

Senator GUTHRIE.—That is what I say—the Senate is merely pandering to people who do not know what they want. This is a matter which was referred to the Royal Commission on the Navigation Bill, and the policy of past Governments was to refuse to deal with the question piecemeal. Both this session and last session strong requests were made that one part of the Navigation Bill might be dealt with, but previous Governments absolutely refused to be a party to any such course. Indeed, one of the members of the Barton Government was compelled to resign office on this very point. Now, virtually without any notice, a Bill is introduced, and inside a week is advanced through the whole of its stages. Those interested have had no opportunity to express an opinion as to the justice or otherwise of the measure; and I hope the Senate will come to the conclusion that the Bill ought to be delayed until more evidence is obtained.

Senator TRENWITH (Victoria).—I think that Senator Guthrie in some measure misconceives the scope and intention of the Bill. It provides that the shipowner shall not continue, as most people think he has hitherto wrongfully done, to contract himself out of all obligation to exercise reasonable and ordinary care. In any case, the objections now offered, if valid, ought to have been urged on the second reading of the Bill.

Senator DAWSON.—Or in Committee on the second clause.

Senator TRENWITH.—The objections are of so sweeping a character, and are so directed against the principle of the Bill, that they ought to have been presented on the second reading. I earnestly hope that the Bill will be speedily carried, because it can inflict no injury on any person, while it will relieve a large number from an injury perpetrated in times past. It seems monstrous that persons should have the power to declare, by agreement, that, while they take money for carrying goods, they assume no responsibility. Ship-owners are not asked to be answerable for landing the produce in good order, but merely to exercise reasonable care and attention, and it must be shown that reasonable care and attention have not been exercised before damages can be obtained. At any rate, all the Bill does, to start with, is to prevent the parties contracting themselves out of

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rights which would exist but for the agreements now made. It preserves to shippers their common law rights, which the ship-owners now compel them to contract themselves out of.

Senator DE LARGIE (Western Australia).—I was absent last week, and had no opportunity to comment on the measure, and, consequently, must take the present opportunity. While I do not wish to enter into the merits of the form of bill of lading in use, I venture to say that this legislation is a great mistake, even from the stand-point of those for whose benefit it is introduced. So far as I understand the clauses of the Navigation Bill, I am sure that a more satisfactory measure would have been passed if matters had all been allowed to take their natural course.

Senator Sir JOSIAH SYMON.—Does the honorable senator think that the clauses in the Navigation Bill, as they stand, would better answer the purpose?

Senator DE LARGIE.—I believe they would, because there are in the Navigation Bill provisions which are not to be found in the measure before us. I feel sure that once the shippers understand the position they have placed themselves in by rushing this legislation, they will realize that they have done themselves an injury. But, apart from that aspect of the matter, I must enter my protest against the unfair action of the Government in taking this matter out of the hands of the Royal Commission, and legislating in regard to it at the tail end of the session. The fact is that up to the present time the shippers have pretty well monopolized the attention of the Royal Commission. There have been witnesses galore, and we thoroughly know their side; but not a single witness has yet given evidence on the part of the ship-owners.

Senator MCGREGOR.—That is not our fault.

Senator DE LARGIE.—It is the fault of every one who gives consent to this legislation.

Senator DAWSON.—Senator Macfarlane is a member of the Royal Commission; what was he doing?

Senator DE LARGIE.—Senator Macfarlane is in the same position as are other members of the Royal Commission who protest against this matter being taken out of their hands.

Senator DAWSON.—The Royal Commission must have been asleep!

Senator DE LARGIE.—Surely Senator Dawson does not think that we can take evidence from half-a-dozen witnesses at once.

Senator Sir JOSIAH SYMON.—It must be that the ship-owners have nothing to say against the Bill.

Senator TRENWITH.—The Bill does not deal with matters of general navigation.

Senator DE LARGIE.—The Bill deals with matters which should have been left in abeyance until the Royal Commission reported.

Senator TRENWITH.—The Bill deals with unfair contracts.

Senator DE LARGIE. — Which have been going on for years.

Senator TRENWITH.—And which, therefore, should be stopped.

Senator DE LARGIE.—This is not the only question of reform which was handed over to the Royal Commission. Had the interests of seamen or wharf labourers been involved we should not have found honorable senators opposite in such indecent haste to legislate.

Senator GRAY.—Can the honorable senator give us any idea when the report of the Royal Commission will be presented?

Senator DE LARGIE.—The report will be presented in due course.

Senator GUTHRIE.—The report will be presented without any unnecessary delay.

Senator DE LARGIE.—As I say, we have had a rush of witnesses on the shippers' side. I was under the impression that Senator Gray, who I think is a little unfair in this matter, was here in the interests of the ship-owner, as well as in the interests of the shipper. This piecemeal method of dealing with legislation for the improvement of our navigation laws is not satisfactory, and it is unfair to the Navigation Commission, to whom the question should have been left. I question very much whether this Bill might not have been ruled out of order on the ground that the matter with which it deals has been referred to a Royal Commission, and that such legislation should not be introduced until that Commission has submitted its report. I have no desire to assist hurried legislation, which I believe will do the shippers more injury than good, because the clauses contained in the Navigation Bill are more comprehensive, and would be more beneficial to the shippers than will the provisions of this Bill.

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Senator GUTHRIE.—They have said so themselves. The two principal shippers in Tasmania have admitted that.

Senator DE LARGIE.—That is so. I quite admit that bills of lading as at present drawn are very unfair to the shippers, but we should hear the other side of the case before we legislate upon the matter. The present bills of lading are very one-sided, in throwing all responsibility upon the shippers, and relieving the shipping companies. If the bills of lading adopted by Australian shipping companies are contrasted with those adopted by the German lines, it will be seen that the latter are more fair to the shippers.

Senator McGREGOR. — The honorable senator only thinks so.

Senator DE LARGIE.—I have very good reason for thinking so, and I question whether Senator McGregor knows anything at all about the subject. If the honorable senator had an opportunity to compare the bills of lading drawn by the German companies with those drawn by the Adelaide Steam-ship Company, he would have to admit that the German companies' bills of lading are more fair to the shippers. All Australian shipping companies have adopted practically the same bills of lading.

Senator Sir JOSIAH SYMON.—That is it; there is a combination, and monopoly.

Senator DE LARGIE.—I believe that is so; but I still think that the Government should not have introduced this Bill when the matter with which it deals has been referred to the Navigation Commission. As a member of that Commission. I enter my protest against the passing of this Bill.

Senator McGREGOR (South Australia). —I am very sorry that the action of the Government, and of the Senate, should have roused the ire of members of the Navigation Commission.

Senator Sir JOSIAH SYMON.—I join with the honorable senator in his regret.

Senator McGREGOR.—I am also very sorry that the members of the Commission who are members of the Senate did not come here with more open minds to consider the legislation on which we have been engaged while they were looking after the shippers in Tasmania.

Senator HIGGS. — Honorable senators want to steal their thunder.

Senator McGREGOR.—We have no desire to interfere with their work.

Senator DE LARGIE.—Honorable senators are interfering all the same.

Senator McGREGOR.—No, we are not. We are endeavouring to make provision for what we consider to be an urgent necessity. The Navigation Commission may still go on with its investigation into bills of lading and the storage of fruit and other produce, and if they think fit they will be quite welcome to propose the repeal of this measure if it should become law, and embody in a future Navigation Bill such provisions as will do away with the evils against which we are endeavouring to provide a remedy now. Senator de Largie invites honorable senators to believe that some German shipping companies are far more liberal to shippers than are the companies which have almost a monopoly of the trade of Australia. If the honorable senator had studied the evidence given before the Navigation Commission with respect to the bills of lading entered by the German shipping companies, he might have found that, so far as superficial appearance is concerned, they are very liberal, and that under them the German companies do not contract themselves out of their obligation to be careful of all goods placed in their charge; but the honorable senator would also have found that if anything happened to the goods the shippers would have to go to Germany, and have their claims considered there. Of what advantage would that be to Australian shippers?

Senator DE LARGIE.—That is a geographical difficulty.

Senator McGREGOR.—It is a very serious geographical difficulty, and the case would have to be tried under German law, and not under the laws of Australia. We are proposing a law here under which neither British nor foreign shipping companies shall be allowed to evade their responsibility. We do not desire that they should be compelled to do anything unreasonable.

Senator GUTHRIE.—If it is contrary to Imperial law they will get out of it all the same.

Senator McGREGOR.—All that we wish to provide for is that when goods are given into the charge of any shipping company, they shall be compelled to exercise ordinary care in the transit of them.

Senator DE LARGIE.—The German companies agree to do that now without any law.

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Senator McGREGOR.—So much the better for the shippers who ship by the German companies' vessels. We desire to put our own shipping companies on the same footing, by providing that they shall exercise all reasonable care in the carriage of produce. It must be remembered that we are proposing to provide for the safe carriage, not only of apples from Tasmania, and oranges from Parramatta, but of butter from Victoria, and cheese from Tasmania, if that State should export any.

Senator Sir JOSIAH SYMON.—And wool.

Senator McGREGOR.—Yes, wine and wool, and everything else. Our intention is merely that ordinary care shall be exercised in the carriage of goods, and if goods are damaged in transit the shipper under this Bill is required to prove that the shipping company, or its servants, did not exercise ordinary care. If he cannot prove that he will have no redress. I have heard some members of the Navigation Commission make the statement that the Commission has taken the evidence of two of the largest shippers in Tasmania.

Senator GUTHRIE.—The only two shippers.

Senator CLEMONS.—The only two who came before the Commission.

Senator McGREGOR.—The only two the Commission had any knowledge of.

Senator GUTHRIE.—They said that they shipped 85 per cent. of the total shipment of Tasmanian apples.

Senator McGREGOR.—Very well; some one else must have shipped the other 15 per cent. I must say that I sympathize with the innocence of the members of the Navigation Commission. If they had given but the slightest consideration to the evidence submitted in Victoria to the Butter Commission, they would have known that the large shippers are all right—not only do they get their goods looked after, but they get a commission from various shipping companies for sending their goods by their steamers. It is the small shipper, who has a few hundred cases of fruit or boxes of butter, or small quantities of any kind of produce to ship, that we require to look after. The larger shipper can look after his own business, and there is very good proof that he is well able to do so.

Senator GUTHRIE.—The honorable senator knows nothing about the matter. The small shipper can get no space at all.

Senator Sir JOSIAH SYMON.—I got space the other day for eight cases of oranges, and six were delivered destroyed.

Senator McGREGOR.—Senator Guthrie need not imagine that I am so silly as to believe that the small shipper cannot get some consideration.

Senator GUTHRIE.—He cannot get space.

Senator McGREGOR.—The difficulty is that when he does get space, the same care is not taken of his goods. The honorable senator has raised the question that a shipping company might take in nine-tenths of the cargo of fruit in prime condition, whilst the other tenth might be overripe, or under ripe, and, as a consequence, more gas might issue from the shipment than could be supplied by the Senate and House of Representatives, with the result that the nine-tenths of the cargo shipped in good condition would be greatly damaged. What I would recommend in such a case, and what every honorable senator should recommend, is that no produce should be exported from any port in Australia without the strictest Government supervision. If that practice were adopted the small shippers, instead of sending their few cases of apples or boxes of butter direct, could give them into the charge of a State or a Commonwealth Department charged with this supervision, and they would then get the same consideration as the large shippers. What Senators Guthrie and de Largie suggest is that, in the meantime, and until the Navigation Commission has taken all its evidence, made its recommendations, and a Navigation Bill has been passed into law, the small producers in Australia must remain at the mercy of the shipping companies, and be subordinate to the will of the big shippers, who can always make their own conditions for the carriage of their goods. It is in the interest of the small shippers that we are endeavouring to pass this legislation, and I hope honorable senators will look at the matter in that light. We have no wish to treat the Navigation Commission with any disrespect, or to do anything that would lower the members of that Commission in the estimation of the people of Australia, but we do desire to pass legislation which we think is urgent. If the legislation which we pass can be improved as a result of the work of the Navigation Commission, I am sure that the members of this Senate will be glad to assist the Commission in securing its improvement.

Senator GIVENS (Queensland).—I regret that anything should occur to delay the passage of this Bill, which I think is

necessary in the interest of honest dealing between shippers and ship-owners. Senator Guthrie has said that the remarks made by Senator Dobson have shown the evil resulting from hasty legislation, but the remarks which have been made by Senators Guthrie and de Largie have shown that it is exceedingly dangerous, even with the most friendly intentions, to interfere with the chicken while the mother hen is about. The Navigation Commission evidently looks upon this question of bills of lading as one of its chicks, and though we have interfered in the matter with the most friendly intention, the Commission, like the mother hen, objects that we have no right to interfere at all.

Senator GUTHRIE.—Other Governments have said that they would not legislate in piece-meal fashion.

Senator GIVENS.—Former Governments may have been entirely wrong in taking up that attitude. I fail to see why this Parliament should be bound by the act of a previous Parliament, when it cannot be shown to be a good decision. All that the Bill does is to prevent ship-owners from contracting themselves out of their common law obligations. Why should they be allowed a privilege which is denied to every other person? The Bill deals with a subject of immediate urgency. If the Royal Commission can suggest improvements, it will be very easy for Parliament to adopt them.

Senator GUTHRIE.—This legislation can be easily evaded; the ship-owners will only take fruit at the shippers' risk.

Senator GIVENS.—I hold an entirely different opinion. Some honorable senators seem to run away with the idea that the Bill is to apply only to the fruit industry, whereas it applies to every kind of produce. Is it not equally important that butter should be carried under proper conditions, so that it shall not be spoiled in transit?

Senator GUTHRIE.—There are never any complaints.

Senator GIVENS.—There have been dozens of complaints about the carriage of butter. How many shipments of meat from this country have been spoiled, owing to the failure of the refrigerating machinery or the neglect of the officers to keep the refrigerating hold at a proper temperature?

Senator DE LARGIE.—What provision is there in the Bill to meet that case?

Senator GIVENS.—It is provided that if the loss, damage, or injury be due to neglect the ship-owner shall be liable. At the present time ship-owners can contract themselves out of their common law obligations.

Senator GUTHRIE.—So they can under this Bill.

Senator GIVENS.—Only live cattle are exempt from its provisions.

Senator GUTHRIE.—And so will fruit be.

Senator GIVENS.—No, the Bill will apply to everything except live stock. I fail to see where a great wrong has been done to the Royal Commission on the Navigation Bill. I believe that it is performing good work, but we are not interfering with its functions. We know that the inquiry will continue for twelve months. Shippers of fruit, butter, and meat are liable to suffer very great loss unless this legislation be passed. We are making a humble effort to rectify an evil. I fail to see why the members of the Royal Commission or any one else should take umbrage at our action. I am exceedingly anxious that the Bill should be passed without further delay.

Senator PLAYFORD (South Australia).—It would have been well if a number of the observations which have been addressed to the Senate to-day had been delivered when the second reading of this Bill was moved. We should have been exceedingly pleased if Senator Guthrie had favoured us with the experience he has gained from examining so many witnesses on this subject.

Senator GUTHRIE.—We were in Hobart taking evidence at the time.

Senator PLAYFORD.—It is amusing to hear my honorable friend taking the Government to task for daring to bring forward such a Bill. The question of the third reading has been discussed from two aspects. In the first place, Senator Dobson asked the Government to consider whether certain persons who have entered into contracts should not be allowed to continue them. And I understand from the nodding of the Attorney-General that they intend to take that matter into their consideration. My own opinion is that under the circumstances no relief in that direction should be given.

Senator DOBSON.—It is the shippers, and not the ship-owners, who ask that this clause be inserted.

Senator PLAYFORD.—The shippers are not the growers.

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Senator DOBSON.—The growers and shipping merchants make this request.

Senator PLAYFORD.—The honorable and learned senator means the commission agents.

Senator DOBSON.—No.

Senator CLEMONS.—He means the fruit brokers.

Senator PLAYFORD.—It is only the middle-men who are asking for this alteration. I believe that the contract has one year to run.

Senator DOBSON.—This measure revokes the contract.

Senator PLAYFORD.—It should revoke all existing contracts, and prevent such contracts from being entered into. A contract might be entered into for a period ranging from ten to twenty years, and where should we draw the line?

Senator DOBSON.—We must do justice.

Senator PLAYFORD.—It is a well understood principle of common law that all carriers are answerable for any damage caused by their negligence. We contend that this contracting out of the common law liability is against public policy, and must be stopped.

Senator DOBSON.—As regards perishable products, I doubt whether we can or ought to do so.

Senator PLAYFORD.—If the shipowner can show that there has been no negligence on his part, he is not liable. He is only liable for loss or damage to goods arising from—

> the harmful or improper condition of the ship's hold, or any other part of the ship in which goods are carried, or arising from negligence, fault, or failure in the proper loading, stowage, custody, care, or delivery of goods received by them, or any of them, to be carried in or by the ship—

The Government will do well to pass the Bill as it is, and to make no exceptions. Senator Guthrie practically argues against the Bill. He is opposed to its passage at the present moment.

Senator GUTHRIE.—Until we hear the evidence on the other side.

Senator PLAYFORD.—So far as the apple trade is concerned, if we do not pass this Bill, the growers, in not only Tasmania, but Victoria and South Australia, will lose the protection we are seeking to give them for the whole of this season. My honorable friend contends that we ought not to legislate hurriedly on this subject, but should wait until the report of the Royal Commission is brought up. But I submit that when our attention is drawn to a practice which is injurious to public policy, and to our producers, it is our duty to take immediate steps to amend the law. If the Royal Commission should find that an alteration of this measure is advisable, it can be made when the Navigation Bill is being considered.

Senator GUTHRIE.—But we have no proof that damage is being done.

Senator PLAYFORD.—I am very doubtful as to some of the evidence which my honorable friend has referred to. He said that over-ripe apples have destroyed apples which were shipped in good condition. I have had considerable experience regarding the shipment of apples to London. During the four years I was Agent-General for South Australia, apples were consigned to our depôt, and we had the sale of them. Tasmanian apples were never in as good a condition as the Victorian and South Australian apples. Fairly large shipments of South Australian apples of different sorts were sent home. In one instance 100 cases were shipped in an over-ripe condition, and when they were landed in London they went into pulp upon being squeezed. But other shipments arrived in excellent condition. Frequently the engineers destroy a whole shipment through allowing the chambers to get far too hot or too cool. I had long conversations with engineers, and recommended that they should procure self-registering thermometers, so that when the temperature got too low, cold air could be let into the chamber. When a whole shipment of apples arrives in an over-ripe condition, it is clear that they were not kept sufficiently cool during the passage. The engineers may say that they were, but it can be proved unmistakably that there was some fault or negligence somewhere.

Senator TURLEY.—But some apples carry better than others.

Senator PLAYFORD. — Undoubtedly. The shippers know the sorts which will carry well to England.

Senator GUTHRIE.—A uniform temperature cannot be kept in any chamber.

Senator PLAYFORD.—A uniform temperature is not needed for apples. What is needed is a temperature of about 32 degrees, and, if possible, not to exceed 45 degrees, and in that case the apples will be landed in good condition. I have taken apples home in my cabin and landed them in excellent condition.

Senator MACFARLANE.—So have I.

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Senator PLAYFORD.—Very often the apples are packed without leaving the necessary space for air to circulate, and the result is that the outside of the case is frozen, and the contents are heated. The cold air cannot get to the apples. Sometimes, too, when the door of the refrigerating chamber is opened, icicles are to be seen hanging down on one side. The circulation of cold air has been unequal, and yet complaints are made of the condition in which the apples are shipped, and responsibility is denied. The shippers have to depend upon human beings to keep an even temperature during the passage. In nineteen cases out of twenty it is neglect on the part of engineers and others on the ship which causes all the trouble; reasonable care has not been exercised. Shipment after shipment in ships, in which certain engineers have travelled, has been landed in excellent condition, while shipments in other vessels have invariably arrived in very bad condition.

Senator DOBSON.—Both the mail companies give their engineers a bonus for every shipment of apples which they land in good order.

Senator PLAYFORD.—In years gone by that was not done, and no doubt it is only done now because it has been found necessary. I think that this Bill should be passed at the earliest possible moment, and I support its third reading.

Senator MULCAHY (Tasmania).—There is no reason why there should not be a debate upon the third reading of any Bill. The stage is generally formal, but this Bill is of such importance to the fruit-growers of Tasmania that a representative of that State, who was not present last week, may be excused for saying something on the subject. As a general rule, when a Royal Commission is appointed to inquire into a specific subject, and has partly completed its investigations, and when it has become possessed of valuable information, it is entitled to a certain amount of respect from the Parliament of the day. That respect does not seem to have been paid to the Royal Commission on the Navigation Bill. There are two questions involved in this measure, as Senator Playford has said. One is that which has been put forward by Senator Dobson. It is important that this measure should not be applied to the abrogation of existing contracts so far as concerns the next six or twelve months. This point is very important for the Tasmanian fruit-growers. We are now approaching the fruit season, and may this year be in a position to export even more apples than we exported last year, though that was a phenomenal season. The increase is due to the fact that each year more orchard land has been brought into cultivation. But this Parliament is about to pass legislation which, in the form it now takes, will absolutely annul existing contracts, or, at any rate, will impose additional obligations which those who entered into the contracts did not expect to have to undertake. The carriage of fruit to England is undertaken by four or five of the large companies. The competition between them has brought down freights to a certain extent. I assume that the leader of the Senate will in all fairness agree to have the matter mentioned by Senator Dobson brought under the consideration of the Prime Minister, and that serious consideration will be given to it. The importance of the Tasmanian fruit trade deserves that that consideration shall be given, because, although technically the measure applies to a large variety of products, we know that it affects the fruit trade particularly. With regard to the third reading of the Bill, I do not see that any great mischief would happen if it were not passed at all at the present moment. We shall probably have the Navigation Bill before us next session, and that measure includes clauses which are, I believe, more comprehensive than the provisions of this Bill.

Senator DE LARGIE.—They are better provisions, too.

Senator MULCAHY.—I am not sufficiently acquainted with them to know whether they are better, but they are certainly more numerous. It might be advantageous to wait until we receive the report of the Royal Commission, the members of which are qualified, some on account of their past experience and some of their trade associations, to deal with the subject. What necessity is there to rush the Bill? What great harm will be done if the consideration of it is left open for a few months?

Senator GRAY.—The subject has been under consideration for years.

Senator MULCAHY.—The honorable senator, with his Conservative tendencies, is not usually in favour of hasty legislation. This Bill involves very important principles. There are other subjects of great importance affecting the mercantile community which are quite as worthy of

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legislative treatment. There is, for instance, the subject of fire assurance, and the desirableness of compelling the insurance companies to meet the claims of persons who pay for the risks which the companies undertake.

Senator TRENWITH.—If a Bill of that kind were brought forward, some one would say that it was inopportune.

Senator MULCAHY.—I admit that the principle of the Bill is a good one, but we have to consider its immediate effects. What harm would there be if its operation were delayed for a few months? It must be remembered that we cannot afford to run any risks with the Tasmanian fruit trade. We need to have all the conditions in our favour and nothing against us, if we are to conduct a profitable industry. We experienced a great deal of trouble in getting our fruit shipped to England in the first instance. We had to submit to very severe conditions and very high freight rates from the start. We have now been able to induce the large steamers to call at Hobart, and their competition has had the effect of reducing freights. Probably in time the competition would remove the grievance in respect of the bills of lading which we have had to submit to in the past.

Senator McGREGOR.—Not if the companies form a ring.

Senator MULCAHY.—So far a ring has not been formed. If the Senate insists upon the third reading of the Bill, I hope, in common with Senator Dobson, that the Prime Minister will give consideration to the points which have been brought forward so that existing contracts may not be abrogated, at any rate, for the next six or twelve months. May I be allowed, before resuming my seat, to read the letter to which Senator Dobson referred, and which has a very imporant bearing on this subject. It is as follows:—

> I would ask you, however, to endeavour to get a clause inserted providing that this Bill should not apply to contracts already in hand, as otherwise, if the mail and other companies agreed not to work under the provisions of your new Bill, it would put us in the position of not having any ships to send fruit by during the coming season, while with this clause, as we suggest, it will give us time to make fresh arrangements for the following year's freight.

Senator STANIFORTH SMITH.—Who is the writer of the letter?

Senator MULCAHY.—The secretary of the principal exporting firm, H. Jones and Company Ltd. It has been stated by way of interjection, and I can ratify it, that this firm, and that of Peacock and Company, are the agents for hundreds of fruit-growers in Tasmania.

Senator PULSFORD (New South Wales). — When this Bill was under the consideration of the Senate last week, I warned honorable senators that they must not imagine that the absence of direct statements on behalf of the ship-owners as to what the measure would mean, was to be taken as indicating that such statements could not be made.

Senator McGREGOR. — The honorable senator is always a political scarecrow.

Senator PULSFORD.—I know Senator McGregor's latitude and longitude by this time, and never expect him to look at matters in the right spirit. I hold in my hand a letter from one of the largest shipping companies in Australia, which shows that what I said last week as to what might be the effects of the Bill is true. The writer of the letter says—

> This measure, as it leaves the Senate, clearly provides for a transfer to the shipowner of risks which, in the past, belonged to the shipper, and is an interference with freedom of contract. In our own case, I would mention that we have agreements still current with shippers from Tasmania, Victoria, and South Australia, and which will remain in force for the next twelve months, in which it is clearly provided that the provisions are subject to the terms and conditions of the bill of lading form of which is attached. Apparently these agreements by the proposed legislation are to be made illegal, and the basis upon which our bargain was built up goes by the board. Really this is too much, and cannot, I think, be in the interests of the Commonwealth. I dare say you are aware that such risks as were involved in accepting our bills of lading, as provided for in these contracts, are risks which are insurable, and surely under the conditions of our contract the difficulty might have been overcome by shippers taking out a policy. The question now arises what is our legal position, and I believe that we will be within our rights if we decide, under the conditions, and assuming the Bill passes, not to send our steamers to Tasmania or carry out any of the contracts now in existence.

Senator Sir JOSIAH SYMON.—What company is that?

Senator PULSFORD.—I do not know that I am called upon to give the name of the writer, but he is the representative of one of the leading companies.

Senator TRENWITH.—Can a letter be read in the Senate without the name of the writer being quoted?

Senator PULSFORD.—If honorable senators are anxious about the point I may state that the writer is Mr. D. Anderson,

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general manager in Australia for the Orient line of steamers. It is dated Sydney, 28th November. We have heard it stated to-day that there are only two or three shippers in Tasmania, and that these shippers represent the aggregate of the fruit exporters. Every one knows that last year these large shippers dropped many thousands of pounds. I believe it has been stated that £50,000 was lost during the season That furnishes another reason why we ought not to do anything which will prevent the possibility of the shippers sending freight to the steamers in accordance with their existing contracts. A good case has been made out as to the desirability of reconsidering the position when the Bill reaches the other Chamber, and I trust that the Government will accept any alterations which will tend to preserve to the trade all the contracts which have been entered into, while at the same time carrying out the objects of the Bill, which are in themselves very desirable, and which will, I think, be in the long run in the interests both of shippers and ship-owners.

Senator TURLEY (Queensland). — It strikes me that there is a considerable difference of opinion with regard to this measure now as compared with the attitude of some honorable senators when the second reading was under consideration.

Senator DE LARGIE. — Matters were being rushed then.

Senator TURLEY.— The grievance which it is proposed to remedy by means of the Bill is one which has been complained of for years past. When an attempt is made to remedy it honorable senators turn round and say, "Do not let us act in a hurry." It is not often we hear members of the party to which I belong objecting to hasty legislation. Our general complaints against Governments are that they will not legislate hastily enough in the interests of the people. For years we have been endeavouring to induce Governments to legislate in certain directions, and our trouble has been that we have not been able to induce them to move. When the Conciliation and Arbitration Bill was before us, Senator Guthrie was particularly desirous that certain clauses which formed part of the Navigation Bill should be included in the measure.

Senator DE LARGIE.—Why did the Government resist that proposal?

Senator TURLEY.—Some of us gave the honorable senator every assistance we could, and were anxious that the Government should insert the clauses in the Conciliation and Arbitration Bill. What we were anxious to do in that case it is just as right that we should do in the case under consideration. It cannot be said that the subject is a new one, because it has been before the public for years past. The difficulty has been to provide effective legislation. Senator Dobson seems to have reversed his attitude entirely. I should like to quote from *Hansard* the remarks which he made upon the motion for the second reading of this Bill. He said, as reported on page 7299—

> I believe that the fruit-growers of Tasmania are watching the progress of this Bill with a very great deal of interest, and that they would like me to thank the Prime Minister and the Attorney-General for the promptness with which effect has been given to the promise of the Prime Minister to deal with this matter at once.

Something seems to have happened since the second reading, and we wish to know what that something is. The honorable senator who represents the fruit-growers, thanked the Attorney-General and the Prime Minister, for giving effect to the representations made to them, and expressed the opinion that the Bill was in the interest of the producers. And now he makes a special request that Tasmania, at least, shall be exempt from the legislation for twelve months.

Senator DOBSON.—Not Tasmania, but existing contracts.

Senator TURLEY. — The honorable senator knew when the Bill was read a second time that it would apply to existing contracts, and if it is a good Bill for the fruit-growers for the year after next, it is equally good for them this year.

Senator DOBSON.—If the Attorney-General does me justice when he speaks, he will tell honorable senators that I had this clause drawn up days ago, and urged him to accept it.

Senator TURLEY.—All I know is, that the honorable senator never submitted the clause when the Bill was in Committee.

Senator DOBSON.—I shall know better next time. I could not make other people aware of the facts, and some honorable senators are now grossly ignorant of the whole business.

Senator DE LARGIE.—All this is the effect of hasty legislation.

Senator TURLEY.—I do not think it is hasty legislation, because a Bill of this kind has been desired for years. I have

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a note of a request made to me by shippers and consignees, when I was returned to Parliament, to see if something could not be done to afford protection in this direction. The question now seems to be narrowed down to the contention that the Tasmanian growers are the only persons interested in the Bill; but, as a matter of fact, every one engaged in the production of perishable goods, with the object of finding outside markets, is equally interested. If the Bill be altered in the way suggested, what sort of position would Senator Givens, myself, and others be in, when we not only supported the Bill, but asked that its provisions should be extended, because we recognised its beneficial effects?

Senator Sir Josiah Symon.—And very justly asked, too.

Senator TURLEY.—If the Bill was good then, it is good now, and I am surprised after the Bill has been read a second time and considered in Committee, that honorable senators should be asked to reverse their decision, and either exempt Tasmania, or reject the measure. That is not the way in which I understand legislation is generally conducted. I take it, that honorable senators make themselves acquainted with the objects of Bills when they are before the Chamber; and it is of no use now attempting to reverse our decision, simply because another measure happens to be under the consideration of a Royal Commission. I understand that if it is found that this matter can be dealt with better in the Navigation Bill, clauses will be introduced into that measure, and the Bill we are now passing will become a dead letter. Our object is to give such assistance as we can to people who have suffered through those one-sided agreements in the past, and I hope the third reading will be agreed to.

Senator Lt.-Col. GOULD (New South Wales).—I do not think that Senator Turley is correct in assuming that there is a desire on the part of any honorable senator that the Senate should reverse the legislation of last week. I understand the request to be that existing contracts shall be respected—that if contracts have been entered into for the carriage of fruit during the coming season the present conditions shall, under those contracts, be allowed to prevail.

Senator Trenwith.—This Bill is introduced only because existing contracts are immoral.

Senator Lt.-Col. GOULD.—It cannot be said that the contracts are immoral, though they might be described as unfair.

Senator Trenwith.—If the contracts permit of thieving without punishment they cannot be very moral.

Senator Lt.-Col. GOULD.—There is no question that bills of lading of late years have been most unfair towards the shippers, and I daresay that in many instances, as Senator Trenwith has interjected, they have rather encouraged than prevented pilfering. It is the duty of the shipping companies to observe every care in order to protect the goods which are handed to them for transport. We should not allow any incentive to the shipping companies to relax the care and consideration which should be given to goods belonging to other people. I do not think, however, that this debate on the third reading has been amiss, for although no attempt is being made to recommit the measure for the purpose of considering the proposal suggested by Senator Dobson, the debate will give the other Chamber an idea of the feeling on the part of honorable senators. As to the complaint about hasty legislation, I am, like other honorable senators, aware that some amendment of the law has been a pressing matter for years past. The different Chambers of Commerce have taken up the question from time to time, and have always been anxious that something should be done. The complaint on the present occasion is that the Bill was read a first time on Wednesday, and a second time on Thursday, and passed through its Committee stage on Friday last. Honorable senators may talk about the question having been before the public for years, but it is to be deprecated that legislation should be pushed through at such a speed. I can sympathize with those honorable senators who, last week, were in Tasmania, not for their own convenience, but on public business, and who had no opportunity to take part in the debate. It is desirable, when we are dealing with such legislation, that the people interested, and the public generally, should have full notice, so that they may make whatever representations they think fit. Had it been proposed to ask for a recommittal of the Bill for the purpose of inserting such a clause as that indicated by Senator Dobson and others, I should have been prepared to support that course.

Senator O'KEEFE (Tasmania).—I do not feel sorry that this debate has taken place, because I confess that it has been the

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means of placing before me some views which, I think, I had not fully considered last week. I have been much influenced by the earnest speech delivered by Senator Mulcahy, who has just returned from the southern part of Tasmania, which is a centre for a large number of shippers of fruit. I could not help noticing, however, that Senator Mulcahy did not tell us that he had heard anything from the small shippers in favour of the exemption of existing contracts. As a representative of a State which is largely concerned in the shipment of perishable produce, it is my earnest desire to see that no obstacles are placed in the way of those small shippers. The only representations as to the undesirability of haste are those made by Senator Mulcahy, Senator Dobson, Senator Macfarlane, and the members of the Royal Commission on the Navigation Bill.

Senator GUTHRIE.—Oh, no!

Senator DOBSON. — Does Senator O'Keefe not understand that the firms which have been mentioned allot out the space to the small growers—that those two firms contract for the whole of the space?

Senator O'KEEFE.—I shall take it that those two firms conduct 85 per cent. of the shipping for the fruit-growers of Tasmania. That may seem like a monopoly, but if the small growers are content to have their business done in that way, I do not see that we have any reason to complain.

Senator MACFARLANE.—All that the two firms do is to give a guarantee to the shipping companies that the space will be filled.

Senator O'KEEFE.—I realize that those two firms may have a monopoly, but if the growers are satisfied, why should we grumble?

Senator DOBSON.—Those firms have not a monopoly in the sense indicated by the honorable senator.

Senator O'KEEFE.—I am disposed to pay considerable attention to the representations made by the two firms, although it strikes me as very strange that there has been no similar representations from any other part of the Commonwealth.

Senator GUTHRIE.—Oh, yes.

Senator O'KEEFE.—Nothing has been said by the representatives of other parts of the Commonwealth to the effect that this legislation is regarded as too hurried.

Senator Sir JOSIAH SYMON.—On the contrary, there has been a large deputation from the other States in favour of the Bill.

Senator O'KEEFE.—We are legislating for the whole of the Commonwealth, and while there can be no desire to do the slightest injustice to the fruit-growers of Tasmania, there is, of course, a similar desire in respect to the shippers and producers of other States. While we do not want to do any injury to the producers, who wish existing contracts to stand, we are in the difficulty that we have had no representations from any other part of the Commonwealth except the southern part of Tasmania.

Senator DOBSON.—Does the honorable senator not see that the ships have to go to Hobart for fruit and nothing else, and that the space is all arranged for now?

Senator O'KEEFE.— Does Senator Dobson not see the justice of Senator Turley's contention, that in other parts of Australia there are large numbers of shippers of perishable produce who are crying out for this legislation?

Senator DOBSON.—My suggestion would not stop legislation, but would merely save existing contracts.

Senator O'KEEFE.—If the Government think it desirable to exempt existing contracts, an opportunity will be afforded when the Bill is being dealt with by another branch of the Legislature.

Senator TURLEY.—But contracts may be arranged for four or five years hence.

Senator GUTHRIE.—Why should we delegate any of our power to another place?

Senator O'KEEFE.—It will probably be a week or more before this Bill is dealt with in the other Chamber. In the meantime, this discussion will be made known all over Australia, and shippers and shipowners will have an opportunity to make whatever representations they please to the Government. If no representations be made in that time, then I think we shall be able to conclude that 99 per cent. of the shippers are satisfied with the proposed legislation. Practically the whole of the shippers of perishable produce seem satisfied with this legislation. What we have done will be known to-morrow over the whole of Australia, and there will be ample time for those who object to this legislation to enter their protest against it. I have no desire that the producer shall be placed in such a position that he will have to say with respect to any of our legislation, "Save me from my friends," on the ground that while we intend to improve his condition we are doing something which will injure

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it. But it does strike me as peculiar that the only objection to this Bill, on the ground that its consideration has been hasty, has come from but two or three people. If the objection raised is a sound one, it can be emphasized before the measure is finally dealt with in another place. Objections to it may be urged from various parts of Australia, and we shall then perhaps know better where we are than we do to-day.

Senator STEWART (Queensland).—The passage of this Bill through the Senate up to the present moment has been so smooth that honorable senators must be somewhat astonished at the troubled reception given to its third reading.

Senator TURLEY.—We have had but a series of congratulations up to now.

Senator STEWART.—As Senator Turley has said, up to the present moment we have been congratulating each other on the fact that we were engaged in a business of the most excellent character, that we were placing shippers of goods in a position hitherto denied them by shipping companies, and were doing neither more nor less than bare justice. We now have objections to what we have done urged from various quarters. First of all, we have the members of the Navigation Commission finding fault with us because we have interfered with this matter while it has been under their consideration. I admit at once that in ordinary circumstances, whilst any subject is being investigated by a Royal Commission, it is exceedingly undesirable that it should be dealt with by way of legislative enactment. But in this particular instance we are dealing with what for years has been a crying evil, urgently demanding reform. The people engaged in the industry concerned have been clamorous for the reform provided by this measure. The Prime Minister was waited on by a deputation in regard to the matter, and an agitation more or less active has been going on for some considerable time to bring about this reform. In the circumstances, the Senate naturally came to the conclusion that it was right and proper that relief should be given to the parties complaining, and that action should be taken accordingly. I am quite certain that no member of the Senate desires to in any way slight the members of the Navigation Commission. I do not think there has been any occasion for the heat displayed by Senators Guthrie and de Largie this afternoon. No member of the Senate has ever dreamt of doing anything derogatory to the dignity or the usefulness of the Commission. This Bill might not be all that Senator Guthrie desires, but the Government and the Senate consider that it will be a very long step in a particular direction.

Senator TURLEY.—It is on the right track.

Senator STEWART.—It is on the right track, and members of the Navigation Commission might well acquit the Senate of any intention to take this business out of their hands.

Senator GUTHRIE.—We do not blame the Senate; we blame the Government.

Senator STEWART.—The Government bring forward a measure, but as it is subjected to review by the members of the Senate, whatever responsibility exists for its passing must be shared by the Senate as well as by the members of the Government. I desire to make a few remarks on the attitude now taken up by several honorable senators representing Tasmania. We did not hear a word about the objections which they have now urged on the second reading of the Bill. On the contrary, even Senator Dobson was enthusiastic in his support of the measure. As usual, the honorable and learned senator has turned a somersault within a very few days, and what he has blessed he now proceeds to ban. Why this change of front? I can see no other reason for it than that the shipping companies have been doing a little business in the meantime. They have been telling shippers, "You are very anxious to compel us to do certain things, but if you insist upon this measure being passed into law, and administered as you appear to desire, we shall not send our ships here, or we shall raise freights to such an extent that your shipments will be unprofitable." We have here the old thing to contend with. It does not matter in what direction we turn our steps to effect reform, we have the one inevitable lion in the path to strangle, and that lion is private enterprise and vested interests. The shipping companies have for such a lengthened period been accustomed to look upon shippers as their lawful victims that now when we proceed to snatch them from their greedy grasp they immediately resent the action taken. The shippers some time ago were exceedingly anxious to be saved from the shipping companies. They said. "Deliver us from these extortioners." That is in plain Eng-

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lish what they meant. But now, when they find that the shipping companies have put their hoofs down, they say, "Leave it alone; we are between the devil and the deep blue sea, and we do not know which way to turn."

Senator MULCAHY.—That is not the general attitude.

Senator STEWART.—So far as I could gather from the speeches delivered by Senators Mulcahy and Macfarlane, there is in Tasmania a general fear on the part of shippers that they will be placed at a decided disadvantage.

Senator MULCAHY.—I have not had a word with or from one of them on the subject.

Senator GIVENS.—But with commission agents?

Senator MULCAHY.—Not even with commission agents; I understand the conditions myself.

Senator STEWART.—Senator Pulsford has read a letter from a shipping agent, I presume, informing shippers that if this measure is passed into law it will be so much the worse for them. I have no doubt that an attempt will be made to bring pressure to bear upon honorable members in another place, but, so far as we are concerned in this Senate, we should strive for justice. In passing this measure we are doing that. In this Bill we merely say to the shipping companies, "You shall take up the ordinary burden of a person who contracts to do a certain thing."

Senator GUTHRIE.—With goods that will not keep.

Senator STEWART.—Goods that will not keep cannot be carried to Great Britain. It is well known that apples reach Great Britain in good condition, in middling condition, and in very bad condition.

Senator GUTHRIE.—This Bill provides that the ship-owners shall do the best they can with the machinery they have, whether that machinery is sufficient for the purpose or not.

Senator STEWART.—It is well known that with ordinary care in gathering fruit, in packing it before shipment, and in keeping the refrigerating chambers in which it is stored at a uniform and proper temperature during transit, it can be carried safely to Great Britain. But hitherto the shipping companies have had no responsibility whatever for its safe carriage.

Senator Sir JOSIAH SYMON.—Not even for gross carelessness.

Senator STEWART.—I have not the slightest doubt that in many cases there has been gross carelessness in the transport of produce. It appears to me that in considering this question, we have to think of very much more than merely the conditions existing at the present moment. Australia has to depend, and will have to depend for a very long time indeed, for a market for her perishable products on Great Britain and Europe. It is, therefore, absolutely necessary, if a profitable trade is to be carried on between Australia and Great Britain or Europe, that proper shipping facilities shall be afforded for Australian produce. We desire to send oranges and all kinds of fruit from Queensland to Great Britain, Europe, and America, if possible. We must discover the best means of transport, but if the shipping companies are to be permitted to continue their present policy of no responsibility, we shall never be able to find out the best way of carrying our perishable produce oversea. If, however, we compel them to use every means known to science, the problem will very soon be solved. I do not suppose that any Bill would do what Senator Guthrie wishes. I do not think that the Navigation Bill, or the report of the Royal Commission, would solve the problem. The problem must be solved by experiment. This Bill compels the shipping companies to accept a certain responsibility, and that provision will induce them, I believe, to make experiments as to what are the best and safest methods of carrying perishable produce to Great Britain. From that point of view, it is a most excellent measure, and one which ought to have been placed on the statute-book years ago.

Senator GUTHRIE.—Why not extend its provisions to live cattle?

Senator STEWART.—I am not prepared to give an answer to the question. I understand that the Bill has been considered by experts in the business, and I am quite prepared to take their verdict on the subject. If the honorable senator, or the members of the Navigation Commission, can prove to me that it is necessary to bring live stock under the operation of this or a similar Bill, I shall be very glad to do so. But up to the present, so far as I have heard, the reasons are all to the contrary.

Senator GUTHRIE.—There have been big losses there.

Senator STEWART.—Yes, and I suppose that there will be big losses in the

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future. We can only reach an approximate perfection in these matters by constant and careful experiments. The Bill compels shipping companies to experiment. Hitherto they have had no responsibility; they simply accepted the goods at shippers' risks. We wish to do away with that uncertain and unsatisfactory state of affairs, and make shipping companies responsible for the goods they carry.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I do not think that this debate is to be regretted. I am one of those who think that on an important subject there cannot be—within reasonable limits as to time—too much discussion. We are all indebted to the honorable senators who have thrown fresh light on either the scope of the Bill or on the objects which we all have in view. I take it that my honorable friends who have delivered criticism which would have been more appropriate on the second reading, but which is none the less welcome now, feel that this is a subject for redress. I do not think that that can be doubted for a moment. Provisions relating to bills of lading were embodied in the Navigation Bill which is now under the consideration of a Royal Commission. The matter has been the subject of pressure on all hands for a considerable time. It has been a running sore for a very long period. It has been the subject of strong representations by representative fruit-growers and shippers from all parts of Australia, including Tasmania, to the Prime Minister, particularly lately. It has been the subject of resolutions passed at a conference of shippers held in Adelaide, passages of which I read when moving the second reading of the Bill. There is a consensus of opinion that this practice has gone on too long, and that it is high time that it was changed. At the same time I am in a little difficulty, because I do not know where my honorable friends are. There is no motion to recommit the Bill; there is no distinct intimation that the third reading is to be opposed, and that a measure which is clamoured for is to be thrown out. I believe that Senators Guthrie and de Largie have no intention of opposing the third reading.

Senator GUTHRIE.—I am going to call for a division.

Senator Sir JOSIAH SYMON.—Why? Is it because the Senate has had the temerity to do its part towards legislating in the absence of the report from the Navigation Commission? Is it because of any feeling on the part of its members that they have been in any way overlooked or disregarded?

Senator GUTHRIE.—I mentioned a reason.

Senator Sir JOSIAH SYMON. — I am going over them all.

Senator DE LARGIE.—That is one of the reasons.

Senator Sir JOSIAH SYMON.—If it is a subject for apology, I join with Senator McGregor in expressing my extreme regret if in any way we have wounded the feelings of the members of the Navigation Commission.

Senator DE LARGIE.—It is not a question of wounded feelings.

Senator Sir JOSIAH SYMON.—I do not say that because of the remarks which have been made this afternoon, but because it is a mere repetition of what I said in my second-reading speech, in which I frankly acknowledged the great services of the Commission, and referred to the provisions relating to coastal trade which Senator Guthrie wished to introduce into the Conciliation and Arbitration Bill. I said that those clauses might be dealt with separately, just as we are dealing with this urgent question separately. I said—

> this matter has been separated from the Navigation Bill because of the urgency of it. All of us will be greatly indebted to the report of the Navigation Commission, and I am sure that we should be glad to reconsider even the matter, if in the interval any experience could be gained which would enable us to make the Bill more effective.

As Senator Givens has said, we can only proceed step by step. Even the Senate is not composed of heaven-born statesmen, so that our legislation is not perfect. I thoroughly agree with my honorable friends in the justice of the provision which they sought to introduce. I begged them not to press the amendment to apply the Bill to all ports at the moment, and they yielded on that occasion. I read that extract because I acknowledged the services of the Royal Commission. I recognised that we were taking this subject out of the Navigation Bill for the moment, not in any way to exclude the benefit of whatever information it could afford us, with a view to make this legislation more effective, and, if you like, just, or with any desire to jump the claim of that body, or anybody else. In the

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next place, is the third reading to be opposed because some expressions have been used about hasty legislation?

Senator MACFARLANE.—One week.

Senator Sir JOSIAH SYMON.—My honorable friend is mistaken. It is one fortnight. Is this Bill to be rejected on the third reading because it is hasty legislation? What I understand by that term is legislation so confused that it would be impossible of interpretation.

Senator DE LARGIE.—Why did not the Government introduce this as their policy?

Senator Sir JOSIAH SYMON.—In the first place, it was embodied in the Navigation Bill, and in the second place, pressure was put on the Government recently in view of the approaching perishable product season, and it was imperative that it should be dealt with.

Senator DE LARGIE.—Evidently the pressure is easing off.

Senator Sir JOSIAH SYMON.—No. It is not that the pressure is easing off, but that there is another pressure coming in, to which I do not think anybody ought at the moment to pay the least attention. On the 16th November I moved for leave to introduce the Bill. On the 17th I presented the Bill, and on the 23rd I moved the second reading.

Senator GUTHRIE.—There was not a copy of the Bill available until last Tuesday.

Senator Sir JOSIAH SYMON.—Copies were available long before that date. On the 23rd November, at the second reading stage, the Bill was exhaustively debated, and on the 24th it was discussed in Committee in a very exhaustive fashion, and the consideration of the report was set down for the 25th. A Bill of originally three or four clauses has occupied the Senate for a fortnight. Therefore, on the ground of haste, there can be no cause of complaint. Is it hasty, in the sense that we are dealing with a subject which ought not to be dealt with? Every speaker has declared the exemptions in bills of lading to be unfair. Senator Mulcahy admits that they are unfair, but he wishes us to wait before the unfairness is remedied until the ship-owners are convinced. We shall have to wait a very long time before that happens. Senator Gould described the exemption as not only unfair, but unjust, and other honorable senators used the same expression. Here was an abuse existing, by the concurrent testimony of every honorable senator, and were we to stand by and allow that abuse to be perpetuated? I never heard of such a suggestion in my life. If it is an abuse we should be worthy to be stigmatized as being regardless of the interests of the people of this country if we did not take steps to remedy it.

Senator MULCAHY.—There are other large abuses.

Senator Sir JOSIAH SYMON.—Let us deal with the little ones to begin with. The question is—is it right, is it wise, to try to remedy this abuse? It is admitted that there is an abuse. We are trying to remedy it. Every one admits that the method proposed is a right one, with the exception of my honorable friend Senator de Largie. He says that he prefers the provisions of the Navigation Bill. My honorable friend Senator Mulcahy says that the provisions of the Navigation Bill are more numerous and more comprehensive. He did not point out in what respect they were to be preferred. But as a matter of fact the provisions of the Navigation Bill are not more comprehensive, and they are not more numerous. What is more, they are nothing like so effective.

Senator GUTHRIE.—They impose a condition that the ship shall be well equipped.

Senator Sir JOSIAH SYMON.—Senator Guthrie says that the ship-owners very much prefer the provisions of the Navigation Bill.

Senator GUTHRIE.—No, I said that the Tasmanian shippers of fruit prefer them.

Senator Sir JOSIAH SYMON.—All I can say is that I do not know who the shipper of fruit in Tasmania can be who prefers the Navigation Bill provisions to this Bill.

Senator GUTHRIE.—The biggest shipper.

Senator Sir JOSIAH SYMON.—Who is he?

Senator GUTHRIE.—Jones.

Senator Sir JOSIAH SYMON.—He is a freight-broker—a gentleman who monopolizes, I am informed, 75 or 80 per cent. of the freight, and who doles it out to the shippers as a middleman.

Senator GUTHRIE.—No, he does not. He gets 85 per cent. on his own account.

Senator CLEMONS.—Does he grow 85 per cent. of the fruit?

Senator Sir JOSIAH SYMON.—He does not grow any of it. He is not a grower at all. My honorable friend's statement must be made on the testimony of Jones.

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Senator GUTHRIE.—It was the firm of H. Jones and Company that made the losses last year.

Senator CLEMONS.—How did the losses occur? Through bad legislation.

Senator Sir JOSIAH SYMON.—What provisions do the ship-owners prefer?

Senator GUTHRIE.—We have not asked them.

Senator Sir JOSIAH SYMON.—If all the ship-owners in Australia came forward, and asked that this provision exempting them from liability for their own gross carelessness should not be struck out of their bills of lading, I would not be disposed to pay much attention to it. I say that it is a monstrous injustice that the provisions should ever have been in the bills of lading. I do not care whether they refer to perishable products or not; no man should be permitted to stipulate that he shall not be liable for his own carelessness. I should not have been surprised if the ship-owners had said that they preferred the provisions of the Navigation Bill as it stands, because at the end there is a loop-hole for them, and the shipper would never know where he was; because, under the Navigation Bill clauses, the provisions of a contract are only to be null and void if the Court before which any question in relation to them is tried, decides that they are not just and reasonable. Every shipper who put his goods on board would not only have to fight the question of the negligence or carelessness of the carrier, but would also have to fight the preliminary question of whether the conditions were just and reasonable. I say that they are not just and reasonable.

Senator GUTHRIE.—There is such a provision in this Bill, too.

Senator Sir JOSIAH SYMON.—No, we have struck it out, because it simply raises another wall of litigation over which the small shipper of goods had to jump before he got justice. Has my honorable friend read the Bill as amended?

Senator GUTHRIE.—Yes.

Senator Sir JOSIAH SYMON.—Then he knows that not only do we declare the provisions null and void, as is done by the Navigation Bill, but also, owing to the suggestions made in the course of the very interesting and instructive debate, we have added provisions which will make it absolutely impossible, in my judgment—I hope I am not mistaken—for any ship-owner to escape from his obligation to exclude these exemptions from his bills of lading. Every shipper, even the most ignorant shipper, will know that when he gets his bill of lading, that liability for ordinary care is incurred by the ship-owner, that there can be no exemption, and that if he attempts to put in an exemption of that kind, he will be liable to a penalty.

Senator GUTHRIE.—The Bill does not provide for the very first thing that is necessary—the equipment of the ship.

Senator Sir JOSIAH SYMON.—That is a question of sea-worthiness which must be dealt with in a Navigation Bill. We are dealing with questions affecting good stowage, and that care and attention which ought to be observed. That end will, we hope, be achieved by leaving upon the ship-owner the liability which every man ought to be under who enters into a contract of this description, of being responsible for due care. Is my honorable friend, Senator Guthrie, going to vote against this Bill as being less effective than the Navigation Bill in that respect? I say that it is more effective.

Senator GUTHRIE.—I say that it is not.

Senator Sir JOSIAH SYMON.—It also is more comprehensive. Does the Navigation Bill impose a penalty?

Senator GUTHRIE.—It may.

Senator Sir JOSIAH SYMON.—So that we are that much to the good. Is my honorable friend aware that in the case of the German ships there is no exemption from liability, but that a shipper must go to Germany to have his case tried? Ought we not to put a clause in the Bill to prevent that? Is not that some good achieved?

Senator GUTHRIE. — The Navigation Commission is taking evidence upon that point.

Senator Sir JOSIAH SYMON.—We are legislating without the evidence.

Senator MULCAHY.—Why did the Government appoint a Royal Commission?

Senator Sir JOSIAH SYMON.—It was appointed to inquire into the subject of navigation, but this is a more immediate matter. I was greatly cheered and encouraged by the testimony which my honorable friend, Senator Turley, read from Senator Dobson's speech on the second reading. But those remarks do not in any way disentitle him from pressing forward for consideration the points to which he objects, and which, I admit, require some examination. When Senator Turley was speaking, Senator Dobson interjected that while the Bill was going through Committee he had shown me an amendment dealing with the subject, and that I pointed out

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some considerations which would prevent me from supporting it or from assisting him in any way. I still entertain the same view. Senator Dobson did not move the amendment then, and I was under the impression that the amendment moved by Senator Pulsford, with a view of deferring the operation of the Bill until February, was rather put forward in substitution for the suggestion of Senator Dobson. But he has explained that that is not so. I hold the same view as I did before. I think the Bill is excellent as it stands. But if an amendment is moved in another place, of course due consideration will be given to it. I can say no more than that. If my honorable and learned friend had sought to move his amendment in the Senate I should have been reluctantly obliged to oppose it for the same reasons as were given by Senator Playford. But, in addition to that, I am not satisfied that the two firms who act for the fruit-growers in Tasmania, and who represent the interest of the middlemen——

Senator MULCAHY.—That is not correct.

Senator Sir JOSIAH SYMON.—I have an assurance that they are not fruit-growers, but I will not press that argument. A good deal of investigation would be necessary before I could agree to an exemption of that kind in respect of alleged vested interests. A quotation was made by Senator Pulsford from a letter, the writer of which he was good enough to mention. The author of the letter is the representative in Australia of a very great shipping company —the Orient Steam Navigation Company. We have there a suggestion that if this Bill is passed, his company will probably— "probably" is the expression—take into consideration the advisability or otherwise of calling at Hobart. I do not attach any importance to that statement for this reason: It has been done before; it may be done again, and by the same gentleman. That gentleman, for some reason, seems to have a fancy for making threats, or giving guarded hints of this kind, when he does not get his own way. I saw in the newspapers the other day that a similar hint was thrown out as to the Orient steamers not calling at Adelaide if they did not get whatever price they chose to ask in respect of carriage of mails. Although I wish it to be clearly understood that we must do justice to everybody—even to vested interests—still, we must scrutinize the source from which these representations come.

Senator DOBSON.—It has been arranged that seventeen steamers are to call at Hobart.

Senator Sir JOSIAH SYMON.—Why then does Mr. Anderson say that the Orient steamers will not call?

Senator DOBSON.—The Hobart *Mercury* announces what has been arranged—that a quarter of a million of cases are to go home, and that seventeen steamers are to call.

Senator Sir JOSIAH SYMON.—Then what becomes of Mr. Anderson's suggestion that if we will not do as he wishes, the steamers will not call? I can only say that my honorable and learned friend will have every consideration given to his suggestion in another place, and all possible light will be thrown upon it. At present I am not disposed to think that any injustice will be done if the Bill remains as at present.

Senator DOBSON.—The honorable and learned senator is short-sighted.

Senator Sir JOSIAH SYMON.—I am sure my honorable and learned friend will sympathize with me in the reluctance I feel not to acquiesce in his wishes. But I do not acquiesce, because I believe the Bill will remedy an acknowledged evil, and do no injustice to any one.

Question—That the Bill be now read a third time—put. The Senate divided.

Ayes	28
Noes	5
Majority	23

AYES.

Baker, Sir R. C.	O'Keefe, D. J.
Best, R. W.	Pearce, G. F.
Croft, J. W.	Playford, T.
Dobson, H.	Smith, M. S. C.
Drake, J. G.	Stewart, J. C.
Findley, E.	Story, W. H.
Fraser, S.	Styles, J.
Givens, T.	Symon, Sir J. H.
Gould, A. J.	Trenwith, W. A.
Gray, J. P.	Turley, H.
Henderson, G.	Walker, J. T.
Higgs, W. G.	Zeal, Sir W. A.
Matheson, A. P.	
McGregor, G.	*Teller:*
Neild, J. C.	Clemons, J. S.

NOES.

Dawson, A.	Mulcahy, E.
de Largie, H.	*Teller.*
Macfarlane, J.	Guthrie, R. S.

Question so resolved in the affirmative.

Bill read a third time.

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TRADE MARKS BILL.

Third Reading.

Motion (by Senator Sir Josiah Symon) proposed—

That the Bill be now read a third time.

Senator Lt.-Col. GOULD (New South Wales).—I move—

That the Bill be recommitted for the reconsideration of clauses 72 to 77 both inclusive.

It will be remembered that last week I made an attempt to have these clauses recommitted. Exception was taken to the proposal by some honorable senators, who regarded it as an endeavour to take advantage of their possible numerical weakness at the moment. However, I showed there was no intention on my part to take any advantage of that Chamber, and I gave notice that I would, either on the motion for the adoption of the report, or on the third reading, resubmit my proposal. Clauses 72 to 77 deal with trade union marks, and a principle is thus introduced which is open to grave objection, not only on the part of certain members of this Chamber, but also on the part of a large section of the public outside.

Senator Givens.—What section?

Senator Lt.-Col. GOULD.—Possibly all the general public except a few men who are banded together in a desire to have things all their own way. Senator Pearce presented a petition this afternoon, bearing 200 or 300 signatures, in favour of these clauses.

Senator Guthrie.—But those names represent 50,000 or 60,000 people.

Senator Lt.-Col. GOULD.—There were 200 or 300 signatures, and the petition comes from one particular section. I am not surprised that the petition should have been presented, because it only shows how well the trade unionists are sticking to these provisions to which I am taking exception.

Senator Turley.—That petition is only from the one State of New South Wales.

Senator Lt.-Col. GOULD.—The provisions to which I refer were not contained in the Bill submitted by the Government, but were inserted in Committee by a majority of honorable senators.

Senator Givens.—And there was every right to insert them.

Senator Lt.-Col. GOULD.—That is so, and I have no quarrel with honorable senators on that score. But it is undesirable that in such a Bill there should be legislation of this character. A trade mark is not intended to indicate the class of labour employed in producing an article, but simply to indicate a certain class of goods—the goods of a certain manufacturer, or composed of certain ingredients, and so forth. From that point of view, a trade mark is an absolutely legitimate way of dealing with goods manufactured by a particular individual. But in the clauses 72 to 77 an attempt is made to recognise certain trade unions, who will be enabled to register a trade mark, which they may, according to their own sweet will, affix or refuse to allow to be affixed to goods offered to the public for sale. A manufacturer may pay union wages and observe union hours and conditions, and yet he will not be able to use this trade mark unless the trade union sees fit to allow him to do so. According to the Bill, it will be perfectly open to trade unions to allow the mark to be used by one particular firm. I am, in my remarks, always assuming that the manufacturers, who will be allowed to use the union mark, will observe all the conditions which trade unionists demand. But there will be power on the part of the trade unions to refuse to allow the mark to be used by a manufacturer, although he may observe exactly the same conditions as those observed by another manufacturer, who has received permission to use the mark.

Senator Dawson.—Where does the honorable and learned senator find that provided?

Senator Lt.-Col. GOULD.—A trade mark becomes the exclusive property of the person or persons who register it, and it may be dealt with as the owner thinks fit. A trade union, for instance, might grant the use of a trade mark to Senator Dawson and refuse it to Senator Gould, although both were manufacturing under exactly the same conditions.

Senator Dawson.—And the trade union might be right.

Senator Lt.-Col. GOULD.—If two manufacturers both observe trade union conditions of labour, it would be unfair to allow the trade mark to one and to refuse it to the other.

Senator Dawson.—There is no such provision in the Bill.

Senator Lt.-Col. GOULD.—But the trade mark becomes the property of the person who sees fit to register, and, as I say,

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he may dispose of the trade mark as he sees fit. I am not unmindful of the debate which took place when these clauses were previously under consideration.

Senator DAWSON.—The clauses merely give protection against sweating.

Senator Lt.-Col. GOULD.—I deny that the clauses are a protection against sweating; or, if they are, it may be protection in the case of one firm only. I ask honorable senators to allow the clauses to be so amended that any person who chooses to manufacture under union conditions may be entitled to place the trade union label on his goods.

Senator GIVENS.—The honorable and learned senator does not want to amend the clauses, but to throw them out altogether.

Senator Lt.-Col. GOULD.—I do want to throw the clauses out, but if honorable senators are not prepared to take that course, I ask them to consent to the amendment I suggest. Should honorable senators agree to the amendment, a great deal of my objection to the clauses will be removed. It is unfair to take advantage of an opportunity to magnify trade unions at the expense of other persons in the community. That is my first and most serious objection. Next, I object to giving any section of the community the right to a trade mark which may be farmed out to one man and refused to another, although both may be observing exactly the same conditions of labour. I do not desire to labour the matter, but merely to have a short debate and a division, in order to ascertain whether there is still a majority prepared to insist on provisions which I consider to be utterly improper in a Bill of this character.

Senator PEARCE.—I rise to a point of order. I desire to know whether the motion now submitted can be accepted by you, Mr. President? On the 23rd instant, the Attorney-General moved that the Bill should be recommitted for the further consideration of a new clause, and Senator Gould moved an amendment that the recommittal should also involve the reconsideration of clauses 72 to 77 inclusive. Senator Gould is now practically submitting that amendment as a motion.

Senator Lt.-Col. GOULD. — No, as an amendment.

The PRESIDENT.—It is a motion, but it does not make any difference to the point of order whether it is a motion or an amendment.

Senator PEARCE.—At any rate, it is a question before us. Standing order 126 is as follows:—

> No question or amendment shall be proposed which is the same in substance as any question or amendment which, during the same session, has been resolved in the affirmative or negative, unless the order, resolution, or vote on such question or amendment has been rescinded.

A vote was taken on Senator Gould's amendment, and passed in the negative, so that the motion now before us has already been negatived by the Senate. Standing order 202 is as follows:—

> When the Bill shall have been fully considered the question shall be put, "That this Bill (or this Bill, as amended) be reported," which, being agreed to, the Chairman shall leave the chair and report the Bill forthwith; and upon such motion that the Bill be reported the reconsideration of any clause or clauses may be moved as an amendment.

That was done by the honorable and learned senator. It is further provided by standing order 204 that—

> If a Bill be reported with amendments, a future day shall be appointed for taking the report into consideration and moving its adoption, and the Bill, as reported, shall, in the meantime, be printed; but if no amendments have been made the report may be at once adopted.

On the occasion referred to, the Attorney-General moved an amendment, which was adopted, and therefore the report stage was fixed for a later day. Standing order 205 says—

> On the motion for the adoption of the report, the Bill may, on motion, be recommitted, either in whole or in part; in which case, if amendments be made, and the Bill be reported, a subsequent day shall be fixed for taking the report into consideration and moving its adoption, and the Bill, as reported with the amendments, shall, in the meantime, be printed; but if no amendments have been made the report may be at once adopted.

That does not meet the present case. It comes under standing order 207, which provides—

> On the Order of the Day for the third reading being read by the Clerk, and before the motion is carried—"That this Bill be now read a third time"—the Bill may, on motion, be recommitted, either in whole or in part; in which case, if amendments be made, a subsequent day shall be appointed for the consideration of the report.

My contention is that while standing order 207 gives an opportunity for the recommittal of a Bill in whole or in part, it is governed by standing order 202. That is to say, that if the question has been decided by the Senate dealing with the Bill or some portion of the Bill, under standing order

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202, an honorable senator is not given three chances—he cannot at each of these stages move the same question. Otherwise it would be competent for any honorable senator to move the same question now, and again move the same question at a later stage, though it should be negatived now. There would thus be no finality. I therefore put the point whether the motion is in order in asking for what has already been negatived by the Senate.

The PRESIDENT.—The question I am asked to decide is whether the motion now made by Senator Gould is in substance the same as a motion which has already been negatived. That depends entirely on the construction of standing order 126, which says—

> No question or amendment shall be proposed which is the same in substance as any question or amendment which during the same session has been resolved in the affirmative or negative—

I direct the attention of the Senate to the use of the words "affirmative or negative"—

> unless the order, resolution, or vote on such question or amendment has been rescinded.

So that if this motion to recommit the Bill or part of the Bill is the same, within the meaning of that standing order, as a former motion to recommit—and if that standing order applies to procedure on Bills—then of course Senator Gould cannot move his motion. But I do not think it does. It must be recollected that this is a question of procedure, on a Bill, and the motion, if carried, commits the Senate to nothing. It simply gives the Committee of the Whole an opportunity to reconsider a part of the Bill. In passing Bills, I think that the greatest latitude ought to be permitted for consideration and reconsideration. A Bill is in a different category altogether from a motion. When a Bill has been agreed to by both Houses. and assented to by the Governor-General, it becomes a law, and therefore the widest latitude has always been given for the reconsideration of Bills, or parts of Bills. If Senator Pearce is right in his contention a Bill could not be recommitted more than once, because if the question, "That the Bill be recommitted," is once resolved in the affirmative, and if a future motion to the same effect, at a different stage of the Bill, is the same, we should be twice resolving in the affirmative the same question.

Senator DAWSON.—Senator Pearce does not contend that a Bill cannot be recom- ... second time.

The PRESIDENT.—If we can twice move that the whole Bill be recommitted—which allows the Committee of the Whole to reconsider every portion of the Bill—then, *a fortiori* we can move twice that part of a Bill be recommitted, because that will only allow the Committee of the Whole to twice reconsider part of the Bill. We have often recommitted Bills several times. I find it laid down in *May*, at page 469—and our standing order in this respect is the same as the House of Commons standing order—that,

> A Bill may be recommitted as often as the House thinks fit.

Senator DAWSON.—A Bill may be, certainly.

The PRESIDENT.—If we can recommit the whole of a Bill, we can recommit half the Bill—

> Bills have been recommitted once or twice, and even six and seven times. The proceedings on the report of a recommitted Bill are similar to those already explained; and on report, the Bill, as amended, is taken into consideration forthwith, and is read the third time.

In another quotation from *May*, which I shall read, it is shown that the "same question" does not apply to procedure on Bills. At page 291 of *May* I find this statement—

> In passing Bills a greater freedom is admitted in proposing questions, as the object of different stages is to afford the opportunity of reconsideration; and an entire Bill may be regarded as one question, which is not decided until it has passed. Upon this principle it is laid down by *Hatsell*, and is constantly exemplified—"That in every stage of the Bill every part of the Bill is open to amendment, either for insertion or omission, whether the same amendment has been in a former stage accepted or rejected."

It seems to me that it would most improperly tie the hands of the Senate if motions of this character were not allowed to be put. For instance, at the very last moment, it might be found that a Bill required some amendment, and it might be that it required amendment in a clause which had been formerly recommitted. If we take, for instance, the clause introduced by the Attorney-General the other day, if the honorable and learned senator finds on reconsideration that that clause requires amendment, he can move that the Bill be recommitted for the reconsideration of that clause. My ruling, therefore, is that standing order 126 does not apply to the procedure on Bills.

Senator PEARCE (Western Australia).—I wish to ask the Senate not to agree

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to the recommittal of these clauses. Because, as I have already said, they were not sprung on honorable senators, but were agreed to after considerable debate.

Senator DAWSON.—And after notice of them had been given.

Senator PEARCE.—Long notice of them had been given, because they were in print for over a week before they were discussed. I ask the Senate not to consent to their recommittal, for the further reason that we can discuss the whole ambit of these clauses on the motion for their recommittal just as effectually as we could in Committee. Referring briefly to what has been said against these clauses, Senator Gould has had to build up an imaginary case in order to find arguments against them. The honorable and learned senator says that unions might effect a monopoly by giving their trade mark to only one manufacturer. In answer to that, I ask honorable senators what object unions could have in securing these labels, if it be not to have them as widely used as possible? It would be suicidal for them to endeavour to secure a monopoly by limiting their use to one manufacturer.

Senator Lt.-Col. GOULD.—The honorable senator will admit that unions do sometimes make very serious mistakes.

Senator PEARCE.—If they made the mistake which the honorable and learned senator suggests, they would themselves be the chief sufferers. They would suffer so much from such a mistake that they would soon retrace their action. It would be suicidal on their part to attempt to limit the use of their labels to as few firms as possible.

Senator Lt.-Col. GOULD.—We are aware that the honorable senator would have objected to a provision being inserted in the Bill requiring a union to allow every manufacturer of the goods to use their label.

Senator PEARCE.—It must be one thing or the other; it is either a union label or it is not, and if we are to give a union property in a label, manifestly that union must be permitted, if it pleases, to allow its use only by manufacturers conducting union shops. If we are to provide for a non-union label, we should say so, and let it be applicable to non-union shops. To say that unions must go to the expense of registering a union label, and must then permit its use by persons conducting non-union shops, where there will be no guarantee that union conditions will be observed in the manufacture of goods, is to beg the whole question. The honorable and learned senator endeavoured to make out that unions might have in union labels some instrument of tyranny; but honorable senators are aware that the only power there is behind these labels is the good-will of the public, who are the buyers and consumers of the articles produced. If a union label is to be of any use to a union, the union registering it must secure and retain the good-will of the public. It must be in a position to appeal to the public to buy goods bearing the union label.

Senator Lt.-Col. GOULD.—The honorable senator admits that the object is to strengthen the unions, and to enable them to boycott people who do not support unions.

Senator PEARCE. — Not necessarily. The object is to provide that goods shall be manufactured under proper conditions. We take it that union conditions are proper conditions, and will guarantee to the public that goods bearing a union label have been made by persons working for fair pay and under fair conditions. Honorable senators must be aware that a union label can be of value to the union only if the public look for it, and if members of the public entering a shop say, "We want boots with the union label." If unions attempt to use these labels in a tyrannical fashion, the result will be that the great body of the public who are not unionists will say, "We decline to be parties to these tyrannical measures, and will refrain from buying goods with these union labels on them." In those circumstances, the very fact that a union label is placed on goods, instead of being an inducement would be a deterrent to people to buy them, and the union registering the label would be the greatest sufferer. As a matter of fact, these so-called tyrannical provisions have been in operation in Western Australia for some time. The Bootmakers' Union in that State has registered a union trade mark, and the Tailors' Union of Kalgoorlie has registered a union label. They have advertised the fact, and have asked the public to buy only goods having their labels on them. In a stronghold of trade unionists like Western Australia, though by far the greater bulk of the goods sold in these particular lines have not these union labels on them, no one has ever yet heard a murmur of any tyranny, or any attempt at tyranny, by the unions in connexion with the use of

their labels. The disadvantages of the ordinary trade marks law under which union labels in Western Australia are registered is that no union can register a label in its own name. The label must be registered in the name of some manufacturer, who agrees to give authority to other manufacturers to use it. The union label provisions in this Bill will enable us to do under the law what we are at present doing by subterfuge under the Western Australian law, because they will enable unions to hold a property in their labels, and to sue and be sued in respect of them. Seeing that a somewhat similar provision has been in actual operation in Western Australia for some years without any complaint being made that it has resulted in disadvantage or tyranny, I ask honorable senators to discuss the principle of these clauses on the motion for the third reading of the Bill. I ask them to reject the motion for recommittal, on the ground that we can still discuss the whole question, and take a vote on the principle; and that on a previous occasion, honorable senators had a full opportunity, after due notice, to discuss the details of the clauses.

Senator WALKER (New South Wales).—Senator Dawson has said by interjection that the object of a trade union label is to prevent sweating.

Senator DAWSON.—It is a protection against sweating.

Senator WALKER.—That is not the only object of a trade union label. In my absence, Senator Drake was kind enough, on the 11th August, to propose the insertion of a new clause that would have protected purchasers against buying goods produced by sweated labour. I shall read the amendment to show that our honorable friends opposite had some object other than merely to prevent sweating. It reads as follows:—

> Notwithstanding anything contained in this part, no trade union shall refuse to authorize a manufacturer or employer who adopts the rate of wages and the hours of employment fixed in reference to the trade of such trade union under any law of the Commonwealth or of a State to apply, if he so desires, its union trade mark to the products of the labour of the members thereof employed by him, or to the same kind of products of the labour of any employees not members of such union employed by him.
> Penalty: £50.

The clause was not accepted. Now, if an employer had both trade union men and non-union men, and paid them at exactly the same rate, he would not be at liberty to use the trade union mark, proving that honorable senators opposite had in view some other object than the prevention of sweating. That object, I said, was a political one. They wished to strengthen the hands of trade unions against non-unionists. This Bill being intended for the whole community, and not for a section of it, I shall support Senator Gould if he calls for a division, but my own impression is that he ought to have brought forward his proposition at an earlier stage. I am persuaded in my own mind that it was not merely to prevent sweating that this part of the Bill was introduced.

Senator FINDLEY (Victoria).—It is perfectly true, as Senator Walker says, that objection was offered to the amendment moved by Senator Drake on his behalf. No paid organization composed wholly of trade unionists would permit an employer who only partially recognised trade union principles, by employng half trade unionists and half non-unionists, to utilize the labels which had been registered in the interest of trade unions.

Senator WALKER.—The object is not merely to prevent sweating?

Senator FINDLEY.—It would be a half-and-half sort of label, which would deceive the public, because that employer would not be recognising trade union principles. If he did, all his employés would be trade unionists.

Senator PEARCE.—There is nothing to prevent an employer from doing that now.

Senator FINDLEY.—No. Unnecessary alarm seems to be sounded by certain honorable senators in regard to the operation of these clauses. One would think from their remarks that this was an entirely new departure. They overlook the fact that in every State to-day a trade organization can register a trade mark in the names of any number of its members; but the difference between the provisions in this Bill and the law in operation in the different States, is that when a trade mark is registered in the names of certain members of an organization, it becomes wholly their property. And there would probably be very great danger of half-a-dozen men in a union, with a label registered in their name, using influence upon employers. Under the Bill no set of men would have that power, because the label is the property of every member of the trade organization.

There is no compulsion about this legislation. There is no desire on the part of any trade union in any State to say to an employer, "You shall do this," or "You shall not do that"; it is an optional matter. Trade unionists believe that this legislation is in the best interest of good employers. It is said that it is doing damage in countries where it is in operation. I challenge that statement. A trade union label law has been in operation in the United States for a long period. Church and commercial organizations, municipal and political bodies, conservative, liberal, and labour men, are loud in their praise and advocacy of the principle. It has minimized sweating to a very considerable extent, and if it were doing the harm which is alleged, we should have the information at first hand. But let me assure honorable senators that all the leading American newspapers recognise the trade union label, and trade union conditions, and on all the papers that come to Australia are the trade union labels, clearly demonstrating that the statements made here to-day are incorrect. I hope the Senate will do on this occasion what it did on a previous occasion, after an exhaustive discussion, and with a fairly full attendance, when every consideration was given to the objection raised by Senator Gould. I trust that the Bill will not be recommitted, but that the third reading will be carried by a large majority.

Senator DE LARGIE (Western Australia).—It is to be regretted that at this stage, after these clauses have been threshed out and run the gauntlet of all criticism, we should find this persistent opposition to a principle which is only fair when we have regard to the nature of this Bill. Apparently, the sense of fairness of some of our political opponents is such that they do not care a fig as to what interests are to be interfered with, so long as a certain interest is "on top" all the while. We have just passed a measure which might very well be termed hasty legislation. Undoubtedly, the Sea Carriage of Goods Bill gives an advantage to a certain interest in the community. It was not opposed by those honorable senators who are opposing this Bill, in which we merely ask that the same privilege shall be extended to the working men as to manufacturers. Is this opposition the result of the agitation we have heard so much about? Is it the result of the demand made by the Employers' Federation and the Chambers of Commerce for the rejection of this legislation? Is the Government so much under the thumb of those institutions that whatever they ask shall be done at once?

Senator Sir JOSIAH SYMON.—It is Senator Gould who is asking for this recommittal.

Senator DE LARGIE.—I hope that Senator Gould will be defeated in his attempt to prevent the will of the Senate from being carried out. A stranger would think that honorable senators on one side were sitting here in the interest of the Employers' Federation alone. No legislation will please them unless it bears upon it the mark of the beast. In some parts of the Commonwealth we have seen the necessity for this legislation. It is in operation in Western Australia. Why should the people of that State be deprived of a privilege? It is contended that it might encourage trade unionism. I have heard some honorable senators on the other side declare that they are the greatest friends of trade unions.

Senator WALKER.—Old unionism.

Senator DE LARGIE.—Old unionism is dead and in a putrid state. That is the kind of unionism the honorable senator favours—unionism that is of little good to the workers. In view of the measure which has just been passed, no honorable senator can consistently oppose a provision permitting trade unions to possess the same privileges as manufacturers. If honorable senators on the other side wish to give a similar privilege to non-unionists, let them propose a clause providing that there shall be a trade mark, called the non-union label, and it shall have my support.

Senator WALKER.—The honorable senator does not see that we do not wish to distinguish between unionists and non-unionists.

Senator DE LARGIE.—Honorable senators are asked to extend to unionists a privilege similar to that which is given to manufacturers. I hope that the motion to recommit the Bill will be defeated.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I ask Senator Gould, in view of reasons I propose to give, not to press his motion to a division. It will still be open to him to discuss the subject on the third reading, and the views put by Senator Pearce in that regard are perfectly fair. Let me state the reasons

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which influence me. Of course, my honorable friends know—Senator Pearce has twitted me more than once—that I am very strongly opposed to those provisions, first so far as place is concerned as being in this Bill, and secondly on principle. I am sure that Senator Gould will appreciate my declaration, as indicating that it is not because of any sympathy——

Senator MULCAHY.—What is the good of that if the honorable and learned senator is going to vote for them going into the Bill?

Senator Sir JOSIAH SYMON.—I do not purpose to vote for them going into the Bill, because they are in it already.

Senator MULCAHY.—Is the honorable and learned senator going to vote for them remaining in?

Senator Sir JOSIAH SYMON.—No. But I am not going to move a motion for recommittal every week, and I am sure that Senator Gould would not desire me to do so, especially at a period of the session when every moment of our time is extremely valuable. My honorable friend moved a motion to recommit last week. With two exceptions every member of the Senate was accounted for in the division as to recommittal. There was an equality of voting, with the result that, according to the Constitution, the question passed in the negative. I voted with my honorable and learned friend in support of the recommittal. But I am not prepared again to support the motion to recommit. I do not take the view that because an amendment is made in a Bill with which I do not agree I ought therefore to vote against the third reading. I do not think I ought to sacrifice a Bill because of some provision in it which I do not like. This measure is intended for the regulation and registration of trade marks. I do not think that a trade union mark is strictly within the meaning of the measure at all. But the question has been fought out, and an amendment has been carried. Now the Bill is ready to be sent to another place. There is very little hope of it being passed this session. But whether that is so or not, the other Chamber will be able to deal with the whole subject. If the trade union mark provisions are retained by a majority they will form part of the Bill; if they are rejected by a majority they will come back to the Senate for reconsideration. In view of all the circumstances, I hope that Senator Gould will not press his motion to a division.

Senator Lt.-Col. GOULD (New South Wales).—While it is perfectly clear that if I fail to secure the recommittal of the Bill, I might offer a protest on the third reading, I do not desire to occupy the time of the Senate by doing so when I can say all that I have to say now. What I wish to point out is that, notwithstanding the apparent fairness of the clauses to which I take exception, and notwithstanding all that has been said with regard to their object being to prevent sweating, and that trade unions would exercise the power given to them in a kind and benign way, I still feel that it is a very serious mistake to put such provisions in the Bill. Moreover, we have to recognise that when we were dealing with the Conciliation and Arbitration Bill it was considered to be undesirable that organizations should have the right to ask for preference when they had political objects. But that very excellent rule will not prevail under this Bill as it stands. While trade unions will not be able to ask for preference under the Arbitration Bill, if they have political objects, they will be able to register trade union marks. To that I have the strongest objection. Trade unions will be able to attach their marks to goods to the detriment of other goods made by men who are quite as good workmen, and just as loyal to their fellow-labourers, as are unionists. But because they do not join in the particular shibboleth of the majority of a particular union, the goods which they make will be prejudiced. That is not fair. I have spoken before with regard to the tyranny of trade unions. Senator McGregor, with his little sarcastic laugh, may ridicule that observation, but he knows perfectly well that there are innumerable instances in which the greatest tyranny has been exercised by trade unions towards their fellow-workmen. Only the day before yesterday we had the Judge of the Arbitration Court, in Sydney, censuring the members of a union for their tyranny.

Senator TURLEY.—It was admitted.

Senator Lt.-Col. GOULD.—Yes, it comes to this—"Do all you possibly can in the first place to injure non-unionists, and when you are found out, plead for mercy." How would that do in the case of a man who was found guilty of picking another man's pocket? Under clause 75 of this Bill, upon the registration of a trade union mark, the union by whom it was registered would be deemed to be the proprietors thereof, and would be entitled to

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the exclusive use of the mark for the purpose of differentiating the labour of the members of the union from the labour of other people. That is to say, every workman who was not able to join in the particular shibboleth of a particular union because of its political policy would not be able to make goods upon which this mark could be placed.

Senator McGREGOR.—There are members of my own union who would not vote for a labour candidate. The honorable and learned senator does not know what he is talking about.

Senator Lt.-Col. GOULD.—I know more of what I am talking about than the honorable senator does nine times out of ten. A trade union under these clauses means a union registered as such under the law of any State, or any number of such unions or any organization. If the clauses had gone to the extent of applying to non-political unions, such as have to be registered under the Conciliation and Arbitration Bill, a great deal of the objection to them would have been removed.

Senator DAWSON.—There are many trade unions which are not political.

Senator Lt.-Col. GOULD.—Possibly. A trade union may, however, be as political as it likes, but if it registers a trade mark it is entitled to use it, and that mark can only be put upon goods manufactured by the members of a union having such a political complexion. That is unfair to other persons. I am not going to quarrel with the Attorney-General for the attitude which he has assumed with reference to the measure. Of course if he and his colleagues intend to vote against the recommittal, there is not much prospect of my succeeding at the present stage. And it is possible that the public, if I go to a division, and am beaten, may think that our objection to the clauses is weakening. I am glad to recognise that the Attorney-General is as strongly opposed to the provisions as he ever was. I am willing, however, to withdraw my motion and allow the subject to be fought out in the other House. No doubt, in due course a final decision will be given upon the subject. I quite recognise the position put by the Attorney-General, and beg leave to withdraw my motion.

Motion, by leave, withdrawn.

Original question resolved in the affirmative.

Bill read a third time.

DEFENCE BILL 1904.

Bill received from the House of Representatives, and (on motion by Senator Sir JOSIAH SYMON) read a first time.

KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY BILL.

Bill received from the House of Representatives, and (on motion by Senator Sir JOSIAH SYMON) read a first time.

PAPUA (BRITISH NEW GUINEA) BILL.

Bill received from the House of Representatives, and (on motion by Senator Sir JOSIAH SYMON) read a first time.

SUSPENSION OF STANDING ORDERS.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I move—

> That the Standing Orders be suspended to enable the Defence Bill 1904 and also the Papua (British New Guinea) Bill respectively to be read a second time this day.

I limit the motion to the second reading of these Bills, and if any honorable senator desires the adjournment of the debate in respect to either, I undertake to consent.

Senator Lt.-Col. GOULD (New South Wales).—At this late period of the session, I recognise the emergent position of the Government in regard to some of the measures before Parliament; but I hope it will be clearly understood that to-night we shall have nothing more than the proposal that the measures referred to shall be read a second time. Before the debate in respect of either Bill is proceeded with, some reasonable time ought to be allowed in which honorable senators may make themselves acquainted with its provisions. The Papua Bill, as we know, has been before the country for some little time, and, therefore, to a certain extent, honorable senators may be acquainted with its provisions in general terms. But the Defence Bill proposes to revolutionize our whole system of defence control. Whether the scheme for the reorganization of the defences be good or bad, I do not intend to debate at the present moment; but, in a matter of such paramount importance to the Commonwealth, we ought to endeavour to come to a wise decision. The desirability of a change is a matter for argument, and, at any rate, the measure ought not to be discussed until next week.

Senator HIGGS.—The Defence Bill is necessary.

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Senator Lt.-Col. GOULD.—I know that, and the Government have proceeded on the supposition that the Bill will be carried; but we ought to have some days in which to consider a matter of such great importance.

Senator Sir JOSIAH SYMON.—I intend to make my own speech in moving the second reading, and if any honorable senator desires then to continue the debate, there is no reason why he should not do so. I shall, however, consent at once to any request for an adjournment of the debate in respect to either Bill. No doubt the Defence Bill is important, but I hope Senator Gould will do his best to address himself to its provisions at as early a date as possible. I shall consider the question of the date to be fixed for the resumption of the debate, but at present it is my intention to move that it be tomorrow.

Question resolved in the affirmative.

DEFENCE BILL 1904.

Second Reading.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I move—

That the Bill be now read a second time.

I quite appreciate the remarks of Senator Gould as to the importance of this measure. No one can realize more than I do that the first object of a free people is to provide for their own safety, which lies in an adequate provision for domestic peace and order and for defence against foreign or outside aggression. Neither in these days nor in days gone by, has right always proved to be might. We must be prepared to defend ourselves, and we all agree that union, strength, and readiness may possibly avert, while unreadiness or weakness or want of preparation may invite, war. Those general considerations underlie what we all recognise as the importance of having a thorough and complete system of defence. We must have trained men, complete armament, adequate equipment, and effective direction and command. If we secure all these, then we may rest fairly satisfied that, to the limits of our power, we are prepared for emergencies which, if they do arise, may threaten our national existence. It has been usual in some quarters to disparage or undervalue the advantages of training; but I think most of us agree that patriotism or enthusiasm in the defence of one's country is not all that is required in order to handle a gun or lead an army. Without training, the most eager enthusiasm, and the most deep-seated patriotism, count for very little, especially in these days of modern armament and equipment. I think we all agree further that we should not rely on the mother country. I have always held the view, and expressed it in the Senate and elsewhere, that the cardinal principle which ought to animate us in establishing a system of defence is self-reliance.

Senator Fraser.—In conjunction with the mother country, of course?

Senator Sir JOSIAH SYMON.—I have before expressed the opinion, in connexion with what is known as the Naval Agreement — and I say this in all earnestness, with the unbounded sense of Imperial patriotism which I possess —that the less we talk about relying on the mother country for the defence of the Australian shores the better it will be for us as a people. There being, I think, a general agreement on those points of principle, there is no question which is less controversial or less of a party nature than that which has relation to a defence scheme. We may individually differ as to the best scheme to be adopted. We may differ as to the details of any particular proposals; but in regard to the national object we all have in view—provision for an effective defence for Australia—the question appears to me to be absolutely non-controversial and non-party. That being so, we should approach the consideration of this most vital subject in the spirit which Senator Gould has indicated. We are united in the desire to secure an efficient system of defence, and the question is how that may best be attained? That, in my judgment, is solved by the scheme which I have now the honour to submit to the Senate. In the first place, it is conceded on all hands that the defence of Australia is to be intrusted to a Citizen Army, and, for the matter of that, to a Citizen Navy, subject to the conditions involved in the Naval Agreement, to which I have already referred.

Senator Dobson.—If we desire a Citizen Army, we must have compulsory training.

Senator Sir JOSIAH SYMON.—I do not know that we must; but no doubt a great deal is to be said in regard to that question, in which I know Senator Dobson takes a deep interest. It is a question, however, with which we are not immediately concerned in considering this Bill. Undoubtedly, the measure is designed to effect a great change in the system of

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defence which has hitherto prevailed. But while it is conceded that our defence is to be intrusted to a Citizen Army—a point I shall emphasize a little later on—we must have instructional and administrative officers, who, so to speak, will form a professional nucleus. Whether this professional nucleus emerges, as it were, from the Citizen Army, as we all hope it may, or however it may arise, there must, in the present conditions of Australia, be an instructional and administrative staff, composed of officers and men who devote their whole time to military matters. The object of this Bill is to effect a very great change in the system which has hitherto existed. To put it in one sentence, it involves the substitution of a Council of Defence and Administrative Boards with an Inspector-General for a Commander-in-Chief.

Senator DAWSON.—Boards drawn from every Department of the service.

Senator Sir JOSIAH SYMON.—I shall refer to the details later. Although, as Senator Gould has said, and as I have admitted, this is a very great change in the system which has hitherto prevailed, it is one which I believe has secured and holds now the assent, certainly, of a large body, if not of all, of those who are well informed on the subject. I think it holds, also, the assent of the majority of those who are concerned or interested in the Defence Force of Australia.

Senator Lt.-Col. GOULD.—The Bill is whatever the Government of the day chooses to make it. We might just as well say that the Government shall have absolute control to do as it sees fit, because the Bill leaves everything to be "as prescribed."

Senator Sir JOSIAH SYMON.—Under the present Act it is "as prescribed."

Senator Lt.-Col. GOULD.—No, there is a great deal laid down by the Act.

Senator Sir JOSIAH SYMON.—With the details of the scheme I intend to deal later, but as to the details of the Bill itself I do not propose to occupy time in going through them, because for the most part they merely make changes, chiefly in the language of the Defence Act of 1903, with a view to making the principal Act applicable to the proposed new system.

Senator MATHESON.—It is the system that is important, and it does not come into the Bill.

Senator Sir JOSIAH SYMON. — The system is the important part, and I think my honorable friend will see that it does come into the Bill.

Senator MATHESON.—But we cannot touch the system in dealing with this Bill. If the system is not all that we can desire, we can move no amendment on this Bill which will affect it.

Senator Sir JOSIAH SYMON. — It is only by means of the Bill that we can deal with the system.

Senator MATHESON.—The system might be set out in the Bill.

Senator Sir JOSIAH SYMON. — How could we have the defence system in all its details set out in the Bill? The Minister of Defence has circulated a paper, which is in the hands of honorable senators, in which he has stated, with very great clearness and care, the full details of the scheme.

Senator MATHESON.—But in discussing this Bill I could not move any amendment on the scheme which the Minister has set out so clearly.

Senator Sir JOSIAH SYMON. —Why could not my honorable friend move any amendment he pleases?

Senator MATHESON.—Not any amendment of the scheme.

Senator Sir JOSIAH SYMON. — The honorable senator can move any amendment on the Bill.

Senator MATHESON.—But the Bill does not contain the scheme.

Senator Sir JOSIAH SYMON.—I point out that it will be competent for the honorable senator to move an amendment on the Bill with a view to seeking the sanction of the Senate for any alteration of the scheme which he thinks necessary.

Senator MATHESON.—Not unless the scheme is embraced in the Bill, and it is not.

Senator Sir JOSIAH SYMON.—Certainly the honorable senator can propose the addition of a new clause to the Bill, providing for any alteration of the scheme which he thinks desirable.

Senator Lt.-Col. GOULD.—Could the honorable senator propose the addition of the scheme to the Bill?

Senator BEST.—The regulations under the Bill can be altered by the Senate after they have been laid on the table.

Senator MATHESON.—Certainly, and I remind the honorable and learned senator that we might adjourn next week, and might not meet again until July next, whilst the scheme is to come into force in January.

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Senator TRENWITH.—Could we have a complete scheme of defence embodied in an Act of Parliament?

Senator Sir JOSIAH SYMON. — I have never heard of such a thing.

Senator MATHESON.—The scheme of organization could be embodied in an Act of Parliament.

Senator Sir JOSIAH SYMON. — My honorable friend will find that the Bill absolutely carries out not merely the principles, but the details of the proposed scheme, because it provides for the substitution for the General Officer Commanding, of Administrative Boards, a Council of Defence, and an Inspector-General, exactly as they are provided for in the scheme, and the details of instructions to be given, which are set out in the first instance in the report of the Committee appointed by Senator Dawson when Minister of Defence.

Senator MATHESON.—What I refer to is the constitution of these boards, and not the instructions to be given.

Senator Sir JOSIAH SYMON. — If Senator Matheson wishes to take the sense of the Senate on the advisability of including the constitution of the boards and council in a clause or in a schedule to the Bill, it will be competent for him to move an amendment setting out what the constitution is to be.

Senator MATHESON.—That could be done, I suppose.

Senator Sir JOSIAH SYMON. — It should be competent for my honorable friend to do that; but I think it would be extremely inadvisable and very awkward to do it. The first thing I desire to say is that, so far as the members of the present Government are concerned, they take no credit in respect to the formulation of the substance of the scheme sought to be carried into effect by this Bill.

Senator FRASER.—Do they accept responsibility for the wisdom of it?

Senator Sir JOSIAH SYMON. — They take the responsibility, and are satisfied of the wisdom of it. They are not merely satisfied of the wisdom of it, but, so far as they can express an opinion as to its probable efficiency — because all these things are more or less experimental —they are satisfied on that point. They take no credit but the credit of taking the material which was ready to their hands when they took office, and which they have had an opportunity to consider and deal with during the short time they have been in office, and to form a very strong conclusion as to its adaptability to the purpose intended, as to the certainty of its securing the results desired, and as to the desirability of carrying it into effect at once. The credit for the scheme is due to my honorable friend, Senator Dawson, the late Minister of Defence, and to his immediate predecessor, the Hon. Austin Chapman, the member for Eden-Monaro. So far as I am acquainted with the history of the matter, I believe that the necessity of securing a reconsideration of the then existing scheme assumed prominence and pressed itself upon the attention of Mr. Chapman, when that honorable gentleman was Minister of Defence, and that it assumed not merely a concrete shape, but a form complete with exhaustive details, under the control, care, and energy of the late Minister of Defence, Senator Dawson.

Senator DAWSON.—The fact is that the brains behind the whole of the scheme is Colonel Bridges.

Senator Sir JOSIAH SYMON.—I propose to refer to the particulars of the report of the Committee, but I am glad to have my honorable friend's statement as to that. I was not acquainted with the fact which the honorable senator has mentioned by interjection. This scheme, in its main features, was that adopted and left in form by the late Minister of Defence, and but for the completion in which the matter was left by the honorable senator, I frankly confess it would have been impossible for the present Ministry, with the time at their disposal—and in view of the various vicissitudes through which they have passed since they took office—to have devoted the time necessary for the evolution of a complete scheme dealing with the subject. The question comes into special prominence because of the early termination of the engagement of the late General Officer Commanding the Military Forces of the Commonwealth, Major-General Hutton. His term of engagement expires on the 28th December, and, in conformity with the usual engagements in these cases, as honorable senators are aware, Major-General Hutton has already left the Commonwealth on his return to England. It is therefore imperative that Parliament should decide at once whether the old scheme, providing for a Commander-in-Chief, should be continued, or whether we shall carry out the new scheme which I have summarised, as the substitution of a Council of Defence,

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Administrative Boards, and an Inspector-General, for a Commander-in-Chief. The approaching departure of the General Officer Commanding, on the termination of his engagement, brought the matter, as I have said, into great prominence, and showed the almost compelling necessity for an immediate determination by Parliament as to the system it should adopt, and as to whether the former system of a General Officer in Command, or a system such as the present scheme should be carried out. It is only right that I should pay a tribute which I think, whatever views may be taken on other subjects, will be acquiesced in by other honorable senators, and by most persons in this country; and that is a tribute to the very great energy, the constant and sincere earnestness, exhibited by Major-General Hutton in discharging the duties of his high position, and his great services to the Commonwealth in organizing and in bringing to a very considerable standard of efficiency its Defence Forces. It is only right to give expression to the estimate of that officer which I hold very strongly, and which I am sure will be concurred in by all who take an impartial view of his immense energy and industry in discharging the duties of his high office. That being the immediate compelling cause, the question was what course should be taken, and what scheme should be adopted. There was only one alternative from the system of a General Officer in Command, to the substitution of a Council of Defence, with Administrative Boards, such as this scheme embraces. That, as I have stated, was very effectively worked out by the late Minister of Defence, and brought into a condition of forward preparedness, which was of the very utmost value. As my honorable friend has described Colonel Bridges as the brains of the Committee——

Senator DAWSON. — Including Captain Collins.

Senator Sir JOSIAH SYMON.—That was what I understood my honorable friend to say. It is only right that credit should be given where it is due. It will be a great shortening of the further remarks I have to make, if I remind honorable senators that they have in their possession, not merely the memorandum of the present Minister of Defence clearly stating the details of the scheme, and giving reasons for its adoption, but also the extremely valuable detailed report of the deliberations of the Committee to which I have referred. And in order that both sides may be seen, they have the very able comments on its proposals by Major-General Hutton, divided into two parts—the principles of the scheme and the details of the scheme, on the assumption of its adoption with the recommendation in that regard. That enables us to institute a critical comparison between the proposals of that Committee and the proposals of the present Government, as set forth in the memorandum of the Minister of Defence, and the views of Major-General Hutton. It is most instructive, and I am sure that honorable senators will not expect me to go through it in detail, as it would be merely repeating what they have already learned. There are one or two parts, however, to which I shall very briefly allude.

Senator DAWSON.—The Government have put in the Bill what ought to be an amendment of the regulations.

Senator Sir JOSIAH SYMON.—I shall be glad to hear my honorable friend's views on that point, because I do not profess to have the technical knowledge which one who has been Minister of Defence must have acquired from those around him, or the technical knowledge of a military expert. I shall listen with interest to what all my honorable friends who are versed in these matters may say with regard to the principles of the scheme, or its details, or the Bill itself. The scheme is experimental as we must all admit, and as every advance and reform is more or less experimental. But we have before us the precedent of, I think I might say, almost every other civilized country. We have the precedent of the United States, perhaps the more closely applicable precedent of Switzerland, and now that of England. I draw attention to the observations of Major-General Hutton, distinguishing the military situation in England from that which prevails in Australia. He points out that although this system—a Council of Defence, Administrative Boards and Inspector-General—may be applicable to a country like England, where there is a very large military establishment to be looked after, it would not be so applicable to a country like Australia, where there is a practically infinitesimal military establishment, as compared with that of England. But I think that the answer to that objection is that although the same reason may not exist here for decentralization, for such a system as is now proposed, another equally potent reason does exist,

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and that is the enormous area of Australia. So long as we have a continuity of policy and controlling administration, we must necessarily have some decentralization in the States, with the result, if nothing else—at least so it appeals to me as a layman—that we develop a sense of responsibility, and promote a faculty of initiative, which is equally important. Two reasons which will appeal to honorable senators very strongly are, first, the advantage in respect of continuity of policy. When an officer comes here to occupy a high office of this kind, he brings his own peculiarities, and, if you like, idiosyncracies, and he seeks to give them effect. Human nature being human nature even in military circles, there may perhaps be a special tendency to that, if some one comes here to take the place of a departing General Officer in Command, who may have other ideas, and who may, like the new broom, be desirous of not only sweeping clean in the ordinary sense, but sweeping clean away what his predecessor has done. One of the greatest advantages of this scheme is that it will secure in the first place a continuity of policy. In the next place it will secure the military system being kept in better touch with the Cabinet, and, therefore, with the Parliament. The Ministerial responsibility is all the time left untouched, so that in the last resort the responsibility rests with the Minister. Under this scheme the control of the Executive, and the control of Parliament, will stand on the same high and unquestioned level as ever, the policy of administration being dealt with by the Council of Defence, and the two Administrative Boards. Perhaps the Senate will pardon me if I state the reasons for this scheme first, from the paper of the present Minister of Defence—

The main objects of the new system are :—

(*a*) The establishment of continuity in defence policy, and of a continuous connexion between Parliamentary responsibility and the control and development of the Defence Forces.

(*b*) Effective touch between the Minister and the Department for which he is responsible to Parliament.

(*c*) The separation of administration from executive command, thereby making practicable, first, decentralization by the increase within established limits of the independence of State commands and the consequent encouragement of independent thought and initiative: and, second, the ultimate full development of a Citizen Force.

As a mere observant layman, I should say again that there is nothing more important in any department of human life than to cultivate a sense of responsibility, and there is no department of national life in which that is more important than in connexion with the military. If there has been one result flowing from recent warfare, whether in South Africa or elsewhere; if there has been one lesson which has been taught, and which ought to be learned, it is that initiative and responsibility on the part of not only the officers, but also the private soldiers, is of the last importance.

Senator Lt.-Col. NEILD.—That is an entire reversal of what has obtained lately.

Senator Sir JOSIAH SYMON.—I know my honorable friend's familiarity with the subject.

Senator DAWSON.—There was no distinct line of demarcation drawn between the civil and military branches. One overlapped the other as regards authority.

Senator Sir JOSIAH SYMON.—I really ought to ask the forbearance of honorable senators in reading this paper, but it will help to bring the passages which strike my mind more concretely before them if I make a few quotations—

(*d*) Continuity of administrative methods by the establishment of a continuous board.

(*e*) The maintenance of uniformity and of efficiency by continuous and searching inspection by, and independent report from, an Inspector-General.

I propose to read one or two sentences from the report of the Committee to make perfectly clear what the cardinal features of this scheme are. They say—

Under the Defence Act, sections 8 and 9, and the statutory regulations thereunder, the command of the Military Forces is vested in a General Officer Commanding. He is responsible for the efficiency of the Military Forces, as well as for ascertaining and reporting upon their efficiency. He is also the sole responsible advisor of the Minister on all military questions.

The old *régime* could not be better stated than in those sentences. The disadvantages of the old system are stated in the next few sentences—

Information as to the condition of the Forces under this system must reach the Minister and Government through the General Officer Commanding, who is responsible for their efficiency; and the Government are solely dependent upon him for advice upon all questions of policy and administration. Should the Government disagree with him, they have none but irresponsible advisers to apply to for information or advice. Under the existing system there has never been a continuous military policy. The defence policy

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depends largely upon the General Officer Commanding, as it did depend, previous to Federation, chiefly on the State Commandants. For an efficient administration and development of the Forces, the military policy should be continuous, and change with circumstances, and not when there is a change in the command.

That is to say, under the old system, with a change in the command, there might be a reversal of the essentials of the existing military system. That ought not to be. A change in the military policy should not depend upon a change of the command, but should be dictated by changing circumstances, or by changes in national conditions. Those two quotations describe the condition under the old military system and its disadvantages, and what is intended to be substituted for it, and the advantages of the substitution. Before I refer to the Council which is to be constituted, I may remark that the ideal in connexion with the Australian defences is one resting upon a citizen soldiery. But there must be a nucleus. There may be three stages in a country's military history. There may, no doubt, be the stage—as there is in Switzerland—in which everything connected with defence is under the control of a citizen soldiery, from administration and instruction down to the rank and file. That is impossible in this country. Subject to correction from those who are more familiar with these matters than I am, I say that it would be difficult, in a country like this, to get men to pursue their avocations as citizens, and to afford the time which is necessary to make them competent instructional and administrative officers of the Defence Forces. As the Minister of Defence said the other day, Australia has got beyond the stage when the rank and file only are citizen soldiers. We must have a large percentage of most efficient officers in our Defence Forces, who are, in the strictest sense, citizen soldiers. But while we have got, to some extent, out of the stage in which the citizen soldiery is limited to the rank and file, we have not got quite to the next stage, in which the whole of the administrative and instructional duties would be in the hands of citizen soldiers. But that is largely the case. The third stage is where the troops and the officers holding executive commands are citizens, but not the instructional officers. That seems to be the stage which we have reached. Here the instructional duties are in the hands of professional soldiers—that is, of those who are able to devote their whole time and attention to military work, just as members of other professions devote themselves exclusively to the duties of those professions. For that purpose, of course, we must have a special staff, composed of professional soldiers who are capable of giving instruction, and who devote their whole time and attention to military duties.

Senator Lt.-Col. NEILD.—That is required by the volume of work that has to be done.

Senator Sir JOSIAH SYMON. — Of course it is; and also because the time required to train the officers in order to make them efficient for instructional purposes is such that it would be impossible for them to undertake any other business. Such being the necessities of the case, the administrative portion of the scheme is separated from the instructional. As to the executive, we have first of all to consider the proposed Council of Defence. The Council of Defence is to regulate and deal with policy. It is proposed that it shall consist, first of all, of the Minister of State for Defence and the Treasurer. So that there will be two Ministers on the Council.

Senator DAWSON.—One Minister may fill the two offices.

Senator Sir JOSIAH SYMON.—That may be so. The only difference between what is proposed, and the scheme shadowed forth by my honorable friend, is that he proposed that the Prime Minister should be a member of the Council of Defence. Then there are to be the Inspector-General, the Naval Director, and the Chief of the General Staff. These are, so to speak, the permanent members. The consultative members of the Council are to be representatives of the Citizen Forces, and expert advisers. In the category of consultative members would be officers who would be called in to advise whenever occasion arose to call for their advice being given. That seems to me to be a most excellent arrangement, and one which will certainly have the effect which we have in view.

Senator FRASER.—Is it meant that the Prime Minister shall be a member of the Council?

Senator Sir JOSIAH SYMON.—No; the Minister of Defence and the Treasurer are to be members; though Senator Dawson's scheme proposed that the Prime Minister should be a member of the Council. It is pretty clear that it is not contemplated that the Council shall meet often. When it did meet, it would discuss questions of

general policy, and defence expenditure, as a whole. The administrative branch of the service would be in the hands of the Military Board. On that body the Minister of State for Defence would be the political member. The other members would be the Chief of the General Staff, the Deputy Adjutant-General, and the Chief of Ordnance, who would be the military members; then there would be a finance member, who would be the civil member of the Board; and representatives of the Citizen Forces would be consultative members. So far, I am dealing only with the Military Board.

Senator DAWSON.—The financial member would be the permanent head of the Department.

Senator Sir JOSIAH SYMON.—Who the financial member is to be, will have to be carefully considered and determined. The duties of these officers of the Military Board would be as follows:—The Chief of the General Staff would have to deal with schemes of defence, preparation for war, schemes for mobilization and organization, arrangements for co-operation between the Naval and Military Forces, all matters of intelligence, staff rides, staff duties and similar work. The Deputy Adjutant-General would have full control of the machinery for transport, the general training of troops, and so on. That is to say, he would have control of all matters dealing with the equipment and transport of our forces. The Chief of Ordnance would have to be an officer thoroughly skilled and up-to-date in all artillery work. He would have to be able to deal with all the higher and more scientific questions embraced under the term "artillery," and we all know that at the present day there is no branch of the military service which involves more difficult scientific questions and requirements, and which demands a more highly trained expert than does the Ordnance Department.

Senator MATHESON.—Why is it that the Chief of Ordnance is supposed to know all about clothing and supplies? If he is supposed to be an educated artilleryman, what should he know about boots and food?

Senator Sir JOSIAH SYMON.—I do not know why an educated artilleryman should not know these things.

Senator MATHESON. — But what technical knowledge would he have, as an artilleryman, of supplies and clothing? That is the work of a Deputy Quartermaster-General.

Senator Sir JOSIAH SYMON.—We do not propose to have a Deputy Quartermaster-General as a member of the Military Board.

Senator MATHESON.—No, he is expressly kept out; but it is impossible to have a competent man who would be a good artillery officer, and at the same time know all about supplies and clothing.

Senator Lt.-Col. NEILD.—Surely we do not want to make our Chief Artillery Officer an expert in military tailoring; it is ludicrous.

Senator Sir JOSIAH SYMON.—Personally, I do not think, and the Minister of Defence does not think, that there is any necessity to have a Deputy Quartermaster-General on the Military Board. It is considered that amongst the three principal expert officers, there will be sufficient intelligence to manage clothing and supplies.

Senator MATHESON.—The duties are not divided amongst the three officers.

Senator Sir JOSIAH SYMON.—It is one of them who has to be responsible. I shall, however, listen with great interest to the honorable senator's argument.

Senator Lt.-Col. NEILD.—It is only a matter of detail.

Senator Sir JOSIAH SYMON.—As Senator Neild says, it is a detail; but so far as I am concerned, I think it is a very excellent arrangement. Those are the general duties which the three officers of the Military Board will have to discharge. I confess I see no difficulty in the Chief of Ordnance being given some additional duties of the character alluded to. Each member of the Board will be responsible for his own particular Department.

Senator FRASER.—To whom? To the Minister?

Senator Sir JOSIAH SYMON.—He will be responsible to the Minister in the first instance, and the Minister will be responsible to Cabinet, and the Cabinet to Parliament; but each of the officers is not allowed to shift his individual responsibility on to the Board. Each officer will be in direct communication with the Minister.

Senator FRASER.—I am not quite sure of the advisability of that.

Senator Sir JOSIAH SYMON.—I think the honorable senator will see that it is advisable.

Senator McGREGOR.—It all depends on who is the Minister.

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Senator Sir JOSIAH SYMON.—There will be no change in the Ministerial responsibility, which will exist as completely, and, perhaps, more effectually, under a scheme such as this than when there is a Commanding Officer upon whom a Minister may shunt responsibility. If there is to be any scheme at all, the kernel must be Ministerial responsibility. I am at present confining myself to the military branch. The next point to be considered is in connexion with the Inspector-General. That officer will have nothing to do with the details of instruction or training, but will have to do with everything relating to inspection. He will have to inspect equipment, fortifications, and all matters in connexion with the defence of the country. He will be in a position to make independent reports on those subjects which come within his scope, and which are absolutely independent, and invaluable to the last degree, because of the severance of his functions from the training and instruction, and so on.

Senator MATHESON.—But he is given a voice in forming the policy.

Senator Sir JOSIAH SYMON.—He will have a voice in respect to the general policy.

Senator MATHESON.—Is that wise?

Senator Sir JOSIAH SYMON.—I think so.

Senator MATHESON.—But the Inspector-General will have to report on the policy.

Senator Sir JOSIAH SYMON.—He will not have to report on the policy specially. His presence on the Council of Defence, which deals with matters of policy, is very different from his being on the Military Board. It is in the highest degree wise that he should have a place on the Council of Defence, and that his responsibility should not be for the policy, or for the executive command, or for the training and instruction, but for inspecting and seeing that everything is in the most complete state of efficiency.

Senator MATHESON.—He has to report on the practical results of the policy of the Council.

Senator Sir JOSIAH SYMON.—And that is a very excellent thing.

Senator MATHESON.—But he has to help to form that policy.

Senator Sir JOSIAH SYMON.—And so he ought to. He may voluntarily report, or he may be called upon to report specially on the practical results of the policy.

Senator MATHESON.—Then he may be biased, because of his having previously expressed his views and been overruled.

Senator Sir JOSIAH SYMON.—Whether he is or not overruled, he has to submit his reports to the Minister. He will report, not on the policy, but on the practical results of the policy.

Senator MATHESON.—But he may have been overruled, and may, therefore, be biased.

Senator Sir JOSIAH SYMON.—I do not assume that one man in a body of five permanent members, together with consultative members, will be so biased as to be incompetent to give a report on practical results.

Senator McGREGOR.—If he were, he would not be fit to hold the position.

Senator Sir JOSIAH SYMON.—Quite so; a man against whom such a criticism could be successfully levelled, would not be worthy of the place. Even if he had no voice in forming the policy, and took an adverse view, the position would be just the same. Of course we cannot have anything that is absolutely complete and perfect.

Senator MATHESON.—We cannot have a perfect man; that is the trouble.

Senator Sir JOSIAH SYMON.—Shall I say with one exception?

Senator MATHESON.—On no account; it would be the grossest flattery.

Senator Sir JOSIAH SYMON.—The apex of the whole scheme is, finally, the responsibility which rests with the Minister.

Senator DAWSON.—Ministerial responsibility is not lost at any stage.

Senator Sir JOSIAH SYMON.—It permeates the whole scheme. The Minister is on the Council of Defence, the Military Board, and on the Naval Board.

Senator McGREGOR.—And on the parliamentary gridiron.

Senator Sir JOSIAH SYMON.—The Minister knows that very well. Under the scheme, which I have endeavoured briefly to outline, we shall have a complete system of the kind which is most in vogue in modern times. We must all admit, as I have said, that it is an experimental scheme, but it is one for the success of which we have precedents in other countries. Such a scheme has recently been established in England, where, so far as the general principle is concerned, it meets with the approval of all responsible military authorities, and is one which I have no doubt will work well. The

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naval part of the scheme is on a much smaller scale, and, therefore, the Administrative Board is smaller. It will consist of the Minister of Defence, the Director of the Naval Forces, the Finance Minister, and consultative members. The naval scheme really consists of two portions—sea-going defence and coastal defence. As to sea-going defence, I think that honorable senators know the views I have all along entertained on the question of the Imperial Squadron. I have thought the matter over a good many times, but I am still of opinion that our defences in this regard are not satisfactory to Australia. I do not intend, however, to dwell on what is an existing fact, but merely to express the hope that the arrangement will in every way prove satisfactory. But I think a great deal more is required in regard to our coast defences, which are altogether apart from the defence of trade routes, commerce on the high seas, and so on. I hope that an opportunity will be afforded to this, or some other Government, at no distant date, to make a substantial advance in the direction of greater efficiency.

Senator MATHESON.—Will the Naval Director be entirely disassociated from State command? The point is not clear under clause 7 of the scheme.

Senator Sir JOSIAH SYMON.—I really do not know. My impression is that the Naval Director will be independent of any State command, but I shall ascertain the true position and inform the honorable senator. This Bill is brought in to give effect to the scheme which I have outlined.

Senator Lt.-Col. NEILD.—The honorable senator promised to refer to clauses 5 and 6, which are excrescences on the proposed system.

Senator Sir JOSIAH SYMON.—That is the honorable senator's opinion; I do not think they are excrescences. I shall not go through the details of the Bill, but merely refer to interjections which were offered when I was dealing with another part of the scheme. It was suggested that the Bill does not set out the whole scheme. I do not quite understand what honorable senators mean by that. As I said at the time, if it is desired to test the feeling of the Senate on the subject, some proposal may be made in that direction. I would point out to Senators Matheson and Gould that this is an enabling Bill. It would never do to make a Bill of this description, or any Defence Bill, absolutely rigid and inelastic. It was for that reason that the principal Act of 1903 was, in that regard, framed on the same basis as is the present measure. The principal Act left all matters which should be dealt with by regulation to be so dealt with.

Senator DAWSON.—That is the reason we have the words "as prescribed."

Senator Sir JOSIAH SYMON.—The words "as prescribed" appear and reappear many times in the principal Act. I point out to my honorable friends that all these things are to be "as prescribed" by regulations which must be laid before Parliament.

Senator MATHESON.—Within seven days after it meets, which might be next June.

Senator Sir JOSIAH SYMON.—Of course; but we must go on with our work. My honorable friend does not desire that the whole administration of the defence of the country shall remain in a state of chaos?

Senator MATHESON.—No; but I should like the details to be set out in this Bill.

Senator Sir JOSIAH SYMON.—I hope that the honorable senator when he speaks will mention the details to which he refers. I am sure that he cannot desire that the whole of the statement of the Minister of Defence, in explanation of the scheme, should find a place in the Bill.

Senator MATHESON.—No; but all provisions for the allocation of duties should be set out in the Bill.

Senator Sir JOSIAH SYMON.—But surely my honorable friend recognises that the Ministry are responsible?

Senator MATHESON.—That is but a figure of speech.

Senator Sir JOSIAH SYMON.—It is not a figure of speech. Senator Matheson must be aware that the Ministry must be responsible for expounding such a scheme of defence as this to Parliament, when it is on the faith of the scheme proposed that the Defence Estimates are passed. Honorable senators will remember that the statement made by the Minister of Defence was made in another place, not on the Bill, but on the Defence Estimates. A statement of that kind is the only form in which the details of such a scheme could be propounded. If the Ministry, without very good reasons, on which they must satisfy Parliament, departed from a scheme so propounded to and approved by Parliament, they must expect to be visited by the punishment which would be their deserts.

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Senator MATHESON.—What punishment has Sir John Forrest received for his responsibility for the present state of the Defence Forces?

Senator Sir JOSIAH SYMON.—When my honorable friend refers to that matter I find it difficult to answer him.

Senator MATHESON.—That is Ministerial responsibility carried to its real conclusion.

Senator Sir JOSIAH SYMON.—I cannot answer that argument. When Senator Matheson brings Sir John Forrest into a debate of this kind I confess I am nonplussed. Sir John Forrest to the honorable senator is like "King Charles' head" in the well-known reference.

Senator MATHESON.—Then let us say Sir William Lyne.

Senator Sir JOSIAH SYMON.—I know how my honorable friend treated that honorable gentleman not so very long ago.

Senator MATHESON.—Then let us say the Government.

Senator Sir JOSIAH SYMON.—I appreciate what my honorable friend says, but if the honorable senator contends that Ministerial responsibility is a mere sham and a fraud——

Senator MATHESON.—Absolutely. Twelve months after it is assumed it ceases to exist.

Senator Sir JOSIAH SYMON.—Then I can say no more. But the honorable senator will not rectify that by setting out a long and unnecessary explanation in a Bill of this description, which is an enabling Bill intended to enable a scheme, propounded to Parliament on Ministerial responsibility, to be carried into effect.

Senator MATHESON.—Why plead Ministerial responsibility in extenuation? Of what use is it?

Senator Sir JOSIAH SYMON.—I am aware that Senator Matheson is a most expert dialectician, and I enjoy nothing so much as a friendly controversy with the honorable senator.

Senator DAWSON.—The remedy is to have a continuous Ministry.

Senator Sir JOSIAH SYMON.—Senator Matheson will, I am sure, allow me to postpone the private discussion of the point he has raised to a later period. I do not undervalue the honorable senator's suggestion, but I was going to point out that the essence of the proposal is contained in the Bill. It is provided by clause 7 that the Governor-General may constitute a Council of Defence. That is the first thing. If Senator Matheson says that he objects to this scheme——

Senator MATHESON.—No, I do not.

Senator Sir JOSIAH SYMON.—I am aware that the honorable senator does not, and that, on the contrary, the scheme has his hearty approval.

Senator Lt.-Col. NEILD.—Why not specify the Council?

Senator Sir JOSIAH SYMON. — Why should we? If we specified the Council, to use the honorable senator's own expression, I think that would be an excrescence. Then we provide in the same clause for a Military Board and a Naval Board; and thirdly, we provide that the Military and Naval Boards respectively shall have such powers and functions as are prescribed. We could not set out the whole of them in the Bill. They may vary according to circumstances. We might make a regulation one day which it might be found necessary to alter six months later.

Senator MATHESON.—I think that all the powers and functions of the boards should be prescribed in the Bill.

Senator Sir JOSIAH SYMON.—We do not need them set out in the Bill.

Senator MATHESON.—I should like to see them in a schedule to the Bill.

Senator Sir JOSIAH SYMON.—I hope that my honorable friend will reconsider that view. The regulations which will prescribe all these things must be laid before Parliament within fourteen days, if Parliament is sitting, and if it is not sitting, within fourteen days after the next meeting of Parliament. And then either House of the Parliament may pass a resolution disagreeing with any of these regulations, and there is an end of it. We could not have any more perfect control under any system adopted. I remind honorable senators that in connexion with the Conciliation and Arbitration Bill a debate was raised as to a similar provision, and I am sure they felt that the matter was dealt with necessarily in the form in which it appeared in that Bill. Senator Neild has referred me to clauses 5 and 6 of this Bill. In my opinion, clause 5, instead of being an excrescence on the Bill, as the honorable senator has contended, is of very great importance, and is practically a summary of what is contained in section 18 of the principal Act, with this difference—that whilst the principal Act provides that warrant officers, non-commissioned officers, and petty officers shall hold their appointments as prescribed, we say in this clause that they shall be appointed, and shall hold their offices as prescribed.

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Senator DAWSON. — That should be a matter for regulation.

Senator Sir JOSIAH SYMON.—That is exactly what is proposed.

Senator Lt.-Col. NEILD.—What has that to do with the general policy of the Bill?

Senator Sir JOSIAH SYMON.— We propose an improvement on the existing system in that regard. We suggest an amendment of the principal Act to that effect, but it is not necessarily dependent on the system. So also with clause 6, defining seniority, other than regimental seniority.

Senator Lt.-Col. NEILD.—That is destroying one of the cardinal features of the Act.

Senator Sir JOSIAH SYMON.—I shall be glad to hear my honorable friend on that; but when we get into Committee, I think I shall be able to give the honorable senator good reasons for what is proposed to be done.

Senator Lt.-Col. NEILD.—I trust that in Committee the honorable and learned senator will assent to the omission of these two clauses.

Senator Sir JOSIAH SYMON.—I think not, though I shall, of course, listen with interest to the arguments which Senator Neild has to address to honorable senators on the subject. What is here proposed will, I believe, be found to be a very great improvement on the principal Act, and I hope to be able to give good reasons for these clauses, which will satisfy Senator Neild, who, I am sure, always desires to be reasonable.

Senator Lt.-Col. NEILD.—I am afraid not. These matters were discussed for three days in the Senate, only a year ago.

Senator Sir JOSIAH SYMON.—I think I shall be able to satisfy my honorable friend; and, at all events, I am sure that the honorable senator will give me an opportunity to do so. That is all I need say so far as the Bill is concerned, but I have one or two words to say as to alleged omissions. A question has been raised with respect to the establishment of an arsenal and a military college. The establishment of such institutions is a very large question, and would involve heavy expenditure.

Senator DAWSON.—They can be provided for on the Estimates.

Senator Sir JOSIAH SYMON.—Quite so; they are not matters to be dealt with in a Bill of this character. They are matters of grave policy, involving considerable expenditure, which it is not possible for the Commonwealth to undertake at the present time. I should like to say, in conclusion, that, irrespective of this scheme, the energy and earnestness of the late and present Ministers of Defence have been shown with regard to the armament of the Commonwealth Defence Forces. Senator Dawson, when Minister of Defence, took the responsibility of anticipating parliamentary authority for the supply of, I think, 5,000 of the shortened magazine rifles of the very latest pattern. The honorable senator's example in that respect has been followed by the present Minister of Defence, in anticipating parliamentary sanction to the extent of ordering twenty of the latest pattern 18½-pounder field guns, since the honorable and learned gentleman was enabled to arrange that it would be possible to have them delivered before the end of the present financial year. I think that every honorable senator will feel that the thanks of the country are due for acts of this kind, calculated to place us if not completely, at all events, well abreast of our requirements in this regard.

Senator DAWSON.—The difficulty is that we might give an order to-day, and it might not be fulfilled before this time two years.

Senator MATHESON.—The guns referred to are to be out, I understand, in May or June?

Senator Sir JOSIAH SYMON.—They are to be delivered, as I have said, before the end of the present financial year. The twenty 18½-pounders will not complete the armament of the Field Artillery, but they will go some way towards it, and the 15-pounder guns which we now have will be gradually replaced by the others as time goes on. I feel sure that the scheme of defence submitted will commend itself to the Senate, and that when it is brought into operation we may with confidence entertain the hope that the interests of the Commonwealth of Australia in the matter of defence will at last be placed upon a sound footing.

Debate (on motion by Senator DAWSON) adjourned.

PAPUA (BRITISH NEW GUINEA) BILL.

SECOND READING.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I move—

That the Bill be now read a second time.

Senator DAWSON.—I am afraid the willing horse is being worked too hard.

Senator Sir JOSIAH SYMON.—There is no pleasure like that of addressing this

Senate, and nothing but the encouragement which my honorable friends have given me would induce me to undertake the task, in respect of which I ask their indulgence, of moving the second reading of this Bill immediately after dealing with the Defence Bill. I think it right that honorable Senators should have shortly placed before them a few of the matters dealt with in the Bill. There can be no doubt that we have in the portion of New Guinea which is a British Possession, a very grave responsibility. The interests, I was about to say the good name, and at all events the credit of Australia, is to some extent involved in the success of our administration of this Territory. It is, therefore, very important that we should see that every effort is made to do the best we can to advance the interests and promote the prosperity of the first Dependency, I think I may call it, of which the Commonwealth of Australia has become possessed. From that point of view I invite honorable senators to bear with me whilst I refer to the position of New Guinea, and also to the provisions of the Bill. In the first place, the title of the Bill needs perhaps a word of explanation. We have always been in the habit of speaking of the island as New Guinea. The whole island, of course, is called Papua or New Guinea. The Dutch part is officially known as New Guinea; the German part is officially known as Kaiser Wilhelm's Land, and the adjacent islands—it is rather sad to contemplate the change in the names of New Britain. New Island, and so on—are known as the Bismarck Archipelago; and Papua is the peculiarly appropriate name for describing that portion of the island which belongs to us, and which embraces the Gulf of Papua. It is for that reason, I suppose, that we have called the Bill the Papua Bill, and shall continue to call the Dependency Papua. This island, as we all know, is the largest island in the world, if we exclude Australia. Its greatest length is 1,490 miles, and its maximum breadth is 430 miles. Its area is about 234,786 square miles, and the Possession of which we are assuming the control represents rather more than a third of what I may call the mainland, if we include 2,754 square miles, which is the area of the adjacent islands. Some of the adjacent islands are important, while others are mere rocky and barren precipices, one consisting of a mountain 8,000 feet high. In Woodlark Island there is believed to be very considerable mineral wealth. The Possession is not merely large in area, but it is well watered. It possesses great forest wealth, and although the climatic conditions vary very greatly, still, tropical productions grow with very great freedom. So far as occupation and settlement are concerned, the climate is not by any means so unfavourable as very many persons think. At Port Moresby, the Seat of Government, the average temperature for four years, at 9 a.m., was 80 degrees. For the same period the average maximum was 86.65 degrees, while the average minimum was 73 degrees. The extreme range of temperature is from 94 degrees to 74 degrees Fahrenheit, at 9 a.m.

Senator STANIFORTH SMITH.—What was the degree of moisture in the atmosphere?

Senator Sir JOSIAH SYMON.—It will be very easy to draw an inference as to what the moist condition of the atmosphere must be, when I mention that at Port Moresby the rainfall for the last seven years has averaged 41 inches, while at Daru, in the western division, the average for the same period has been 94 inches, which is about 8 feet, and which honorable senators will think is a very fair rainfall. But these records are outstripped at Samarai, near the south-east end of the mainland, where for one year the rainfall was 126.5 inches, or about 10½ feet. In that connexion we know that malarial fever prevails, but so far as I am aware, it is of a comparatively mild type. There are very lofty mountains on the island, Mount Victoria being 13,200 feet high; although some parts—I believe towards the westward—are low, marshy, and unhealthy, yet there are other portions which are, I shall not say altogether as salubrious as we should like, but comparatively salubrious; at any rate, the malarial fever is of rather a mild type. The climate is favorable to tropical production. The cocoanut palm bears well everywhere. It is specially suited, in the dry climate, of the central district at any rate, to cotton-growing. In certain localities, tobacco of superior quality is grown. The sugar-cane seems to have been very long domesticated, or to be an indigenous product. Tea, cocoa, and coffee, thrive well; they are not indigenous. Amongst the varieties of timber on the island, we have sandal wood, ebony, and cedar. There are deposits of gold existing over a large area, and coal has been found. The marine resources consist of pearl shells and pearl, trepang,

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sponges, and turtle. So that we have a territory with considerable potentialities to the Commonwealth, and a very varied kind of production. It is occupied by a native population of a very interesting race. Senator Smith has been there, and I hope that he will be able, from personal knowledge and examination, to describe the products of the island, its capabilities, and the favorable view or otherwise that he took of the population. These people are not given to the cultivation of the ground, and, like many other natives, I dare say, of the South Sea Islands, they are not disposed to continuous labour if it can be helped. But I believe that in the eastern portion of the Possession, the natives have shown themselves capable of being taught and developed. I have had an opportunity of seeing the communications by the Rev. Mr. Abel, and Mrs. Abel, who have testified to the capacity for instruction, and the facility with which these natives have learned boat-building and other handicrafts, and made themselves useful at the industrial mission. The European population number about 500, and comprise about four classes, namely, the Government officials, the missionaries, the traders, and the miners. These are distributed amongst the three principal coast settlements, Port Moresby, Samarai, of which I have heard in another connexion, and which is, I believe a rather unsuitable place on an island in the China strait, at the eastern end of the Possession, and Daru, a place where that very ample rainfall takes place, on an island not far from the mouth of the Fly River. The officials consist of a central staff of fourteen magistrates and assistant magistrates, and ten other officials. The missionaries represent four societies, three Protestant, and one Roman Catholic. They all work most harmoniously together. They do not encroach or overlap in their respective spheres, and I believe they have all been successful in their efforts for the improvement of the natives, and the advancement of the country. The traders are scattered about in isolated places, as is natural in an unsettled country of this description, appearing wherever trade or the opportunities of exchange may call them. So far as the trading settlement is concerned, it is confined to Samarai, Port Moresby, and to the gold-fields. The mining population is naturally fluctuating. One would imagine it to be perhaps a little rough in a country like that; but my information is that certainly at Woodlark Island, where there are quartz reefs and a battery, and the men work in small parties and are a good deal mixed in character and disposition, they are a very law-abiding set, and offences amongst them are extremely rare. Up to now this Possession, having these resources, peopled by natives of the character I have described, and with a small European population, has been a Crown Colony in the ordinary sense of the term. A contribution was made by the three eastern Colonies of Australia towards its expense up to a certain time. The contribution ceased, and about the time of Federation the question was raised as to the course which was to be pursued to provide for the government of the Possession. Prior to 1883, it was neglected by everybody. The Imperial authorities took little or no interest in it; it was left to look after itself. As early as 1872, it was visited by missionaries, and in the early eighties, the gold discoveries naturally attracted a number of persons. But prior to 1883, New Guinea as a whole was altogether neglected by the Imperial authorities. In that year, authorized by the Government of Queensland, Mr. Chester hoisted the British flag, and took possession of the Island. This was disavowed by Lord Derby on behalf of the Imperial Government on the 10th July, 1883. Considerable excitement arose in Australia in consequence of that course of action. The feeling on the part of the Imperial Government was expressed very strongly by Lord Derby, and it was made the foundation by him of the suggestion that it would be all very well for Australia if she were united to act in that way, but that it was extremely inadvisable for a particular Colony to adopt such a course, and so, if I may use the expression, force on an undesirable action on the part of the Imperial Government. What Lord Derby said in the House of Lords was this—

> If the Australian people desire an extension beyond their present limits, the most practicable step they could take, the one that would most facilitate any operation of the kind, and diminish, in the greatest degree, the responsibility of the mother country, would be the confederation of the Colonies into one united whole, which would be powerful enough to undertake and carry through tasks for which no one Colony is at present sufficient.

And in a despatch addressed to the Governor of Queensland on the 11th July, 1883, he said—

> Her Majesty's Government regret that it should be necessary from time to time to refuse assent to proposals coming from individual Colonies

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for the assumption of large and serious responsibilities in regard to places and questions not specially concerning those of Her Majesty's subjects who live in other parts of the Empire, and I trust the time is now not distant when, in respect of such questions (if not for other purposes of government), the Australian Colonies will effectively combine together and provide the cost of carrying out any policy, which, after mature consideration, they may unite in recommending, and which Her Majesty's Government may think right and expedient to adopt.

The result was that considerable feeling was aroused in Australia. But the period of inaction which was consequent upon that attitude led in 1884 to the German Government taking possession of the northern division of the eastern half of the island. In the meantime, in December, 1883, the strong feeling aroused in Australia took shape in the Australian Convention, which sat in Sydney, and which, as honorable senators will recollect, passed a resolution strongly urging that that part of New Guinea which was not claimed by the Netherlands Government should be annexed to the British Empire. Then came the step taken by Germany, and it was not until 1887 that the portion of New Guinea with which we are now dealing was erected into a Possession by the Imperial Government, after an arrangement entered into with the three eastern Australian Colonies to provide for the expense of government, leaving, of course, the ultimate authority with the Colonial Office. I need not enter into the details connected with that matter, but in the meantime we had the effort on the part of Australia to establish Federal union. That having culminated by the establishment of the Commonwealth, and its inauguration in January, 1901, the Government of Australia were at once pressed by the Imperial authorities to assume the responsibility of supervizing and financing the Government of the Possession. That was a course of action that was made imperative—at least, the Imperial authorities regarded it as imperative—because the guarantee of the eastern Colonies had expired, and the local revenues were not sufficient to pay the cost of government. Accordingly, when the Commonwealth Parliament met in 1901—honorable senators will find the record of it in *Hansard* for that year—both Houses passed the following resolution, which is the basis of the present legislation:—

1. That this House is prepared to join in measures for the acceptance of British New Guinea as a Territory of the Commonwealth, if His Majesty is pleased to place it under Federal control.

2. That towards the expenses of the administration of the Possession this House is willing, when called upon, to vote a sum not exceeding £20,000 per annum, as from the 1st July, 1901, subject to revision at the end of five years.

The next step was that which honorable senators will find set out in the preamble of this Bill, namely, the issue of an Order in Council making a formal offer of the Possession to the Commonwealth, so as to enable it to be accepted. This Bill will formally accept it, as honorable senators will find in clause 5, and will provide the necessary machinery for the purpose of carrying on the government, which, until the Bill becomes law, is carried on under the terms of the Order in Council, of course substituting the Governor-General and the Commonwealth Government for the Imperial authorities. That is the story up to the introduction of this Bill. One great drawback in respect of the prosperity of British New Guinea up to now—one which I think will be speedily removed—is the irregularity of communication. Under the proposed re-arrangement of the Pacific mail service with Messrs. Burns, Philp, and Company, we shall have a line established between Thursday Island and British New Guinea on a subsidy of, I think, £2,000 per annum. I wish to say in that connexion —I have not the exact figures by me—that there are two lines of steam-ships to New Guinea, calling, I believe, *en route* from Sydney to Singapore. One is the German-Australian line, and the other is the line of Messrs. Burns, Philp, and Company. The German-Australian line is subsidized to the extent of £22,674 per annum by the German Government, and the other—Messrs. Burns, Philp, and Company—receives at present no subsidy at all. So that I think honorable senators will feel that it is one step in the right direction to establish a regular service of this character; and a service from Thursday Island to New Guinea at monthly intervals for so small a sum as £2,000 is something of which we have no reason to complain. I hope that will only be the beginning of larger efforts to develop the resources of New Guinea, and to make it not a burden but an advantage and a source of wealth to the Commonwealth of Australia. There are only two other matters to which I wish to refer. I do not intend to go through the provisions of the Bill, because they are highly technical. They rest upon substantially the same principles of government as already exist, with a further development applicable to the new

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state of things, and preserving, as we ought to preserve, the ordinances already existing in the Possession, so far as they are beneficial, and so far as they are applicable. But there are two portions of the Bill to which I think I ought to direct attention, not with a view to go into any elaborate controversy about them, but so that honorable senators may realize that they do embody questions of policy which are not overlooked. The first of them is, that in clause 20 there is a prohibition against the granting of any freehold estate in any lands in the Territory; and, secondly, providing that—

the rental of all such land granted or disposed of by way of lease shall be assessed on the unimproved value of the land, and shall be subject to re-assessment at such periods and in such modes as are fixed by the ordinance.

The latter is merely a consequential provision made necessary if the former is enacted. Personally, I think it is a pity that that provision should be introduced at the present stage of the development of the Territory. I largely sympathize with the feeling in respect of the non-alienation of land. To some extent I share it. But a rigid prohibition of all alienation of land in fee-simple, in a newly-acquired country which has yet to be settled, and where we are seeking to promote development, may retard that development and that settlement. I think it would have been better if there had been some less rigid prohibition—some provision permitting a certain elasticity in this regard, under proper regulation and control. The aggregation of huge estates in a new country is greatly to be deprecated. But, at the same time, nobody can deny that an Englishman's great ambition is to possess a piece of land, and that a British settler going to a new country does not like to expend his capital or his energy on land which he holds on lease, however long the lease may run. He has the feeling that the land may be taken from him at some time or other. There is an inherent dislike, even on the part of Australians, to hold land on lease.

Senator PEARCE.—There are numerous instances to the contrary, even in this city.

Senator Sir JOSIAH SYMON.—There is a great deal to be said in favour of the non-alienation of land in a new country. But we are now assuming a new *rôle*. We are not dealing with the Commonwealth—a settled country. We are regarding these States as our settled homes. We are becoming colonizers.

Senator McGREGOR.—And we are continually saying, in regard to our own country, "Oh, if we had a chance to start again."

Senator Sir JOSIAH SYMON.—I have not said that. I frankly admit, with regard to the Territory which is to be acquired, that we may make an excellent experiment. But, at the same time, it is well for honorable senators to consider whether a little more latitude in the way of dealing with land in this new Territory under proper regulations may not be possible.

Senator HIGGS.—Does the Attorney-General not see that it is paradoxical for us to try to found a Colony in New Guinea while we are advertising for immigrants to settle in Australia?

Senator Sir JOSIAH SYMON.—We cannot prevent people going to New Guinea, if they are attracted there by the prospect of finding gold. Three years ago this Parliament decided to take over this Possession, which is now in a less defined way Commonwealth territory, but which will, when this Bill finds a place on the statute-book, be placed on a footing as a Territory of the Commonwealth. All I say is that it is not to be assumed that it is a counsel of perfection to absolutely prohibit the alienation of land. If we are to exercise our gifts as colonizers, and follow in the footsteps of the mother country, we might, at all events, consider whether we should not avail ourselves of that tendency which lies deep in British human nature towards the acquisition of freehold land, as an inducement to quicken the settlement and development of New Guinea.

Senator WALKER.—Has not some of the land already been alienated?

Senator Sir JOSIAH SYMON.—That raises questions into which I do not desire to enter. I merely point out that this is one of two portions of the Bill which involve matters of policy, rather than the construction of a system of government. The other point is embodied in a clause having regard to the prohibition of the liquor traffic. This is an open question with the Government, and at this stage it is only right to say that I shall take the liberty of seeking to have this provision struck out of the measure. In saying that, I do not, of course, pledge my colleague, the Vice-President of the Executive Council. I do not wish to discuss the clause in detail, but I must say that I regard it as an absurdity. I feel strengthened in that view when I read the evidence in Parliamentary Paper No. 47,

1904, which, to my mind, is altogether conclusive against prohibition; indeed, I regard that evidence as overwhelming. We have here expressions of opinion from the Bishop, the Acting-Administrator, and all those who were asked to give their testimony on the subject; and, so far as regards the supply of liquor to the natives, there seems practically no foundation for any such provision. In fact, it is a miracle to me that so little complaint has been possible on this score; and in regard to the 500 or so of white settlers, I think we ought not, at any rate at present, to enforce prohibition.

Senator DOBSON.—Does the Attorney-General expect this immunity of the natives to go on for ever?

Senator Sir JOSIAH SYMON.—If mischief arises in this connexion, we may legislate at any moment. I am not treating this as an essential part of the Bill one way or the other, but merely presenting my own personal view. As I say, if mischief arises in regard to the natives, or, for the matter of that, in regard to the white people, it will be time enough then to legislate on the subject. I know there are those who hold strong views on this question from the temperance stand-point. I recollect very well that not many years ago a reverend gentleman in the southern counties of England was so enthusiastically in favour of total abstinence, that on the public platform he expressed regret that our Lord and His Apostles had done so little for the cause of temperance. I know that those who advocate prohibition in New Guinea do not take any such extreme grounds, but I say that if there are good reasons for prohibition, they do not appear in the evidence to which I have alluded.

Senator DOBSON.—Can the Attorney-General tell us how many licensed houses there are, and what the licence-fees are in New Guinea? I should like to have full particulars before I give a vote.

Senator STANIFORTH SMITH.—It is not known how many licensed houses there are.

Senator Sir JOSIAH SYMON.—I cannot supply the information asked for. Those are the only two parts of the Bill which deal with matters of policy, irrespective of the system of government sought to be established. This is the first occasion, so far as I am aware, on which a pure democracy, such as exists under our Commonwealth Constitution, has had an opportunity to show how it can colonize and govern a Dependency. My belief is that, under the provisions of this measure, we shall have a system which will enable the Commonwealth to successfully govern this Territory, and to show how well it can promote the best interests of the native races, and make this a valuable and remunerative Possession of the British Crown.

Debate (on motion by Senator STANIFORTH SMITH) adjourned.

Senate adjourned at 9.25 p.m.

House of Representatives.

Wednesday, 30 November, 1904.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

PETITION.

Mr. SPENCE presented a petition from the executive officers of eighty-five trades organizations in New South Wales, representing 60,000 members, praying the House to pass the provision in the Trade Marks Bill for the registration of trade union labels as trade marks under the Bill.

Petition received and read.

ORDER OF BUSINESS.

Mr. REID.—I desire to give notice that to-morrow I shall move—

That Government business take precedence of motions and Orders of the Day (general business).

My object is to enable the consideration of the Conciliation and Arbitration Bill to be continued to-morrow. Of course, I shall not move the motion if there is any general objection to it. I quite recognise the right of private members, if they insist, to occupy the time usually allotted to private business; but, in view of the importance of the Conciliation and Arbitration Bill, I propose to ask them to proceed with it to-morrow afternoon.

Mr. MCDONALD.—Will the Prime Minister grant another day for the consideration of private members' business?

Mr. REID.—I am merely giving the ordinary notice at present. I shall be glad to consult the convenience of members generally.

PAPERS.

Mr. MCCAY laid upon the table the following paper:—

Amendment of financial and allowance regulations, Naval Militia, Statutory Rules 1904, No. 72.

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The CLERK laid upon the table the following papers:—

Returns to orders of the House, dated 18th October, as to cases dealt with by the High Court, and number of sittings, appeals, expenditure, &c., during its first year of existence.

DEFENCE BILL: PROPOSED MILITARY BOARD.

Mr. SALMON.—I wish to ask the Minister of Defence whether he has considered the advisability of having the Army Medical Corps represented on the proposed Military Board?

Mr. McCAY.—I am not in a position at present to make any definite statement. The whole matter is under very serious consideration, and I hope to be able to make some final announcement before very long. The matter has not escaped my notice.

PICTORIAL POSTCARDS.

Mr. MALONEY.—I desire to ask the Postmaster-General whether, in the interests of the revenue of his Department, he can see his way clear to allow Melbourne pictorial postcards, with writing on the front, to pass through the post without extra charge. I understand that in Europe persons sending similar cards are allowed to write a few words upon the front in order that the picture on the back may not be defaced, whereas the practice here has been to charge extra postage in all such cases.

Mr. SYDNEY SMITH. — This matter has already been brought under my notice by the honorable member. I quite agree with the view expressed by him, and I have already directed that a regulation shall be framed to permit of pictorial postcards being sent through the post under the same conditions that apply in the United Kingdom. A number of persons have had to pay extra postage upon pictorial postcards because of the writing upon the front of them. I propose to allow a few words to be written in front so that there will be no necessity to deface the picture on the back.

FORTNIGHTLY PAYMENT OF PUBLIC SERVANTS' SALARIES.

Mr. G. B. EDWARDS.—I desire to ask the Prime Minister, in the absence of the Treasurer, whether it will be possible to make arrangements to pay the public servants of the Commonwealth fortnightly, instead of monthly? If the Minister is not prepared to deal with the matter at once, will he take into consideration during the recess the reasonableness of making fortnightly payments to, at any rate, the rank and file of the Service?

Mr. REID.—I am aware that this matter has been under the consideration of the Treasurer for a long time. According to my recollection, the answer given by the Treasurer was that it was found not to be expedient to grant the concession, because it would entail extra cost that would be out of proportion to any advantage that might be conferred upon individuals. In the absence of the Treasurer, I do not care to give any answer beyond saying that the matter is one which can be much better attended to during the recess.

EXTRA SITTINGS.

Mr. BAMFORD.—I desire to ask the Prime Minister whether, in view of the fact that Christmas is approaching, and honorable members generally are anxious to get into recess, he has taken into consideration the advisability of the House sitting on Saturday and Monday next.

Mr. REID.—It is with very great reluctance that the Government contemplate parting with honorable members. I believe, however, that there is a general feeling that we should conclude our business as soon as possible, and we are now considering whether we shall not propose, for a week, a series of day sittings. I should be very reluctant to interfere with the convenience of honorable members upon Saturday. Some honorable members who have to travel long distances to their homes, require to leave here on Friday afternoon, and I think we should be very much more considerate to them if we decided to sit in the mornings next week. If morning sittings were held, I should certainly not expect honorable members to stay very late at night, unless the business done were so small as not to warrant an early adjournment.

MAIL STEAMERS AT ADELAIDE.

Sir LANGDON BONYTHON.—In view of the reply given by the Postmaster-General to the honorable member for Swan, with respect to the steamers of the Orient Steam-ship Company calling at Adelaide, I should like to ask the Minister whether he has received any official information from the company to the effect that they do not intend to permit their vessels to call at Largs Bay.

Mr. SYDNEY SMITH.—In view of the importance of the trade of South Aus-

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tralia, I should be very much surprised if the company intended anything of the kind.

Mr. HUTCHISON.—Can the Minister tell us whether the honorable member for Swan had any justification for the statement that the Orient steamers would discontinue calling at Adelaide.

Sir JOHN FORREST.—I did not say that they would do so.

Mr. SYDNEY SMITH.—It is impossible for me to say what information was in the possession of the right honorable member for Swan. I have had no official intimation to the effect indicated.

MAP OF AUSTRALIA.

Mr. McDONALD.—In view of the difficulty at present experienced in procuring an up-to-date map of Australia, will the Prime Minister take into consideration the desirability at the earliest possible date of supplying the deficiency?

Mr. REID.—I shall have great pleasure in bringing the matter under consideration. It does seem that there is a strange want of a useful map of Australia, and an up-to-date publication would doubtless prove of very great service to honorable members during the recess.

IMMIGRATION RESTRICTION ACT.

Mr. McDONALD.— I wish to ask the Prime Minister whether, in view of the alteration of the regulations under the Immigration Restriction Act, in order to permit certain prohibited immigrants to come here and travel as students and tourists, he will have prepared a record of such persons and lay it upon the table.

Mr. REID.—I have no doubt that there will be some trace of the gentlemen and ladies who visit Australia under the provision referred to. If such a record can be compiled, I shall lay it on the table.

Mr. McDONALD.—In the event of there being no such record, will the right honorable gentleman take steps to insure that the omission shall be rectified?

Mr. REID.—I shall certainly do anything to satisfy a reasonable desire for information, consistent with refraining from inflicting personal indignity upon the persons visiting us under such a regulation.

TARIFF COMMISSION.

Mr. ISAACS.—As the Prime Minister has already practically answered the question of which I had given notice regarding the appointment of the Tariff Commission, there is no need for me to formally ask it.

PUBLIC SERVICE CLASSIFICATION

Mr. FRAZER (for Mr. RONALD) asked the Minister of Home Affairs, *upon notice*—

With reference to the Classification Scheme and the *personnel* of the Appeal Board—Is it a fact that the gentleman who drew up the classification scheme is a member of the Appeal Board; and, if so, does the Minister consider that the Court of Appeal is a fair one when one man (Mr. Betheras) of three who compose the board is an interested party sitting in judgment on his own scheme?

Mr. DUGALD THOMSON.—In reply to the honorable member's question I have to state—

The person who drew up the classification scheme for the Commonwealth Public Service is not a member of the Board of Appeal. The constitution of the board is fixed by the Commonwealth Public Service Act, section 50.

MOUNTED INFANTRY REGIMENTS.

Mr. JOSEPH COOK asked the Minister of Defence, *upon notice*—

1. How many infantry regiments in Australia are carrying out the order to mount one company?

2. Will he state which regiments and which particular companies are doing so, with their location?

Mr. McCAY.—The replies to the honorable member's questions are as follow :—

1. No orders have been issued for infantry regiments to mount one company. Orders were, however, issued on the 22nd March last that one company each of the twelve infantry regiments comprising the Field Force, should be trained as mounted infantry.

2. The following gives the regiments which commenced this training, the company selected, and the location of the company in each case :—

New South Wales—

1st Australian Infantry Regiment—"A" Company, Sydney.

2nd Australian Infantry Regiment—"C" Company, Sydney.

3rd Australian Infantry Regiment—"A" Company, Windsor.

Victoria—

5th Australian Infantry Regiment—"A" and "E" Companies, Melbourne.

6th Australian Infantry Regiment—"A" and "F" Companies, Melbourne.

Tasmania—

12th Australian Infantry Regiment—"F" Company, Evandale.

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CONCILIATION AND ARBITRATION BILL.

In Committee (Consideration of Senate's amendments resumed from 29th November, *vide* page 7536):

Clause 4—

"Industrial dispute" means a dispute in relation to industrial matters—

(*a*) arising between an employer or an organization of employers on the one part and an organization of employees on the other part, or

(*b*) certified by the Registrar as proper in the public interest to be dealt with by the Court—

and extending beyond the limits of any one State, including disputes in relation to employment upon State railways, or to employment in industries carried on by or under the control of the Commonwealth or a State or any public authority constituted under the Commonwealth or a State; but it does not incluude a dispute relating to employment in any agricultural, viticultural, horticultural, or dairying pursuit;

Senate's Amendment.—Leave out "but it does not include a dispute relating to employment in any agricultural, viticultural, horticultural, or dairying pursuit."

Mr. REID (East Sydney—Minister of External Affairs).—Before we proceed to discuss the amendments made in this Bill by the Senate, I wish to justify a statement which I made yesterday, the accuracy of which was denied by the leader of the Opposition. As honorable members will recollect, I represented the honorable member as having laid great stress upon the difficulty —under the amendment submitted by the honorable and learned member for Corinella—of ascertaining whether a majority of those interested in any industry approved of the granting of a preference to unionists. I stated that his objection to the proposal was mainly based upon that ground. Without making any further remarks, I wish to quote from page 4045 of *Hansard*. If honorable members will turn to that publication, they will see the speech which was delivered by the leader of the Opposition upon the amendment of the present Minister of Defence in opposition to the proposal of the then Government, to recommit the preference clause of the Bill. The honorable member for Bland followed the honorable and learned member for Corinella, and in the course of his speech made these remarks—

It is therefore quite possible that the interests of all children employed in an industry might be affected by an award, and the Court would have to be satisfied, under the honorable and learned member's amendment, that the application for a preference was approved by a majority of the children as well as of the adults concerned. I take it that "satisfied" means that the Court shall be satisfied in the clearest and most unmistakable way that the majority of those affected have approved of the demand for preference.

Mr. McWILLIAMS.—The honorable member does not object to the provision for a majority?

Mr. WATSON.—No; the practice in nearly every case, in all the Arbitration Courts, has been to grant a preference only when the majority, reasonably ascertained, is in favour of such a preference. I am not so foolish as to anticipate that the practice laid down by the Arbitration Courts of New Zealand and New South Wales will be departed from by the Judge appointed to the Federal tribunal. Any one who imagines that the Judge in the Federal Court would lay down a new line of procedure—that he would grant preferences to unions which manifestly represented only a minority of those employed in the industry or in the district in respect of which the preference was asked—cannot have paid any attention to the general procedure under legislation of this kind. I contend that the objection to the honorable and learned member for Corinella's amendment, as a detail of preference—not as affecting preference as a principle—is that it would be absolutely impossible in a great number of cases to prove that the majority of the industry concerned approved of the application.

I make that quotation in justification of my statement yesterday.

Mr. WATSON (Bland).—To my mind the quotation which has just been made by the Prime Minister does not controvert my statement of yesterday. What I said then was that, so far as the principle of preference was concerned, I did not give way to any limitation of the right of the President of the Arbitration Court to declare whether or not a preference should be granted. I replied to an interjection by the honorable member for Franklin to the effect that I did not object to providing that the consent of a majority of those interested in any industry should be necessary, but I fear that the use of the word "no" in the report of my remarks is inconsistent with what I said immediately afterwards. What I was attempting to convey was that I did not object to the principle that the Judge should insist upon obtaining the approval of a majority before granting a preference. I evidenced that both before and after the interjection of the honorable member for Franklin. I stated that I preferred to trust the Court unfettered, but I quite expected to get from it in practice an insistence that a majority of those engaged in any particular industry, or something approaching one, should be insured before a preference was granted.

Mr. GLYNN.—The honorable member accepts the principle of the amendment, but objects to it being expressed in the Bill?

Mr. WATSON.—I accept the principle which was alleged to underlie the amendment, but what was aimed at in that amendment was the prevention of any preference at all being granted.

Mr. McCAY.—That is not correct.

Mr. WATSON.—I do not care whether that was the motive which animated the honorable and learned gentleman or not, but I hold that that was the effect of his proposal.

Mr. McCAY. — The honorable member used the words "what was aimed at," and they imply motive.

Mr. WATSON.—The proposal of the Minister had no effect other than that which I have stated, and it was largely supported by those who had no intention that any preference should be granted to unionists.

Mr. McCAY.—That is quite another matter.

Mr. WATSON. — Coming back to the general position——

The CHAIRMAN.—I think that the honorable member is rather anticipating discussion.

Mr. REID.—May I be permitted to point out that I made a series of general observations upon these amendments.

The CHAIRMAN.—I thought that the Prime Minister to-day made a personal explanation.

Mr. REID.—Yesterday I made a general statement concerning all the amendments made in the Bill by the Senate, and the honorable member for Kennedy asked whether other honorable members would be afforded an opportunity of adopting the same course. I replied in the affirmative, because I thought it would be very unfair if honorable members were not allowed to do so. In my judgment it would meet the convenience of the Committee if honorable members were allowed similar latitude to that which was extended to me. Then when the general discussion has been exhausted, we shall be in a position to deal with particular amendments.

Mr. WATSON (Bland).—I think the course suggested by the Prime Minister will facilitate business, because it will assist us to arrive at some conception of the trend of matters before we address ourselves to the Senate's amendments. It seems to me that if there be any real anxiety on the part of a majority of honorable members to carry out their pledges to the electors to give effect to the principle of compulsory arbitration, we ought to welcome any proposal which will expedite the passage of the measure. I trust that the Committee will see the wisdom of allowing the general debate to continue until honorable members have been afforded a reasonable opportunity to express their views. As I indicated yesterday, I exceedingly regret that the Government have not seen fit to go further towards meeting the views of the Senate in connexion with this Bill. The Prime Minister has attempted to set up the position that there is no obligation upon his part or upon the part of this Committee to go any appreciable distance in the direction of meeting the Senate, because the views which it has expressed in the amendments before us are not those of an ordinary second Chamber, but are rather the opinions of another branch of the party which happens to be in Opposition. That is one of the most astounding statements which I have ever heard from a gentleman occupying the responsible position of Prime Minister. He suggests that in casting up the respective positions of the two Houses we should enter into the detailed beliefs and political ideas of every member of the other Chamber. I have never heard that view expressed before. So far from these amendments representing merely the opinion of the Labour Party in the Senate, they reflect in addition the views of a fair proportion of senators who are not members of that party, and owe no allegiance to it. But even if the statement of the Prime Minister were justified, and we had a right to consider that aspect of the matter, the fact would still remain that the amendments made by the Senate are approved by some of those who, upon matters of general politics, support the right honorable gentleman. One or two members of the other branch of the Legislature who vote with his party are jointly responsible with the Labour Party for some of these amendments. But if the Government entertain any real anxiety to pass this Bill into law, should they stand upon considerations of that character? What does it matter to us to which party a majority of members of the Senate belong when it comes to a question of enacting legislation which the people have demanded at two elections in the most emphatic manner possible? Recently, a memorial was circulated amongst the members of both branches of this Parliament by the Employers' Union, in which they asked the Ministry to drop this Bill, urging against its constitutionality and general

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expediency a number of considerations which apply particularly to their view of the question. Although the Ministry have not ostensibly agreed to the opinions expressed by the Employers' Union, it seems to me that they approach dangerously close to doing so when they adopt the attitude of declaring that they intend to pass over with contumely all the amendments proposed by the Senate. In effect, they say, "Take this or leave it." I do not know whether or not the hope is present that the Bill will be dropped, but the position wears that sinister complexion, when we recollect that the attitude of the Ministry is coincident with the view which has been expressed by the Employers' Union.

Mr. GYLNN.—What measure of compromise does the honorable member expect from the Ministry?

Mr. WATSON.—I shall allude to that at a later stage. In the meantime I draw attention to the fact that there is no measure of compromise. Of course, I can understand the anxiety of the honorable and learned member in regard to this matter, seeing that the memorial to which I have referred consists for the most part of a laudation of himself.

Mr. GLYNN.—I have not seen that memorial.

Mr. WATSON.—I do not suggest that the honorable and learned member has done so. At the same time, I may inform him that it credits him with having almost successfully placed immovable barriers in the way of the Bill. Although it does not bear upon the amendments which are immediately under consideration, it asserts that they afford a good opportunity to throw the Bill overboard, and revert to the position which was previously taken up by the honorable and learned member. It states that whilst the employés' side of the question is represented in this Chamber, the employers are without any representation. It seems to me that that is an indication of grave ingratitude on the part of the Employers' Federation. They have had the help of quite a number of honorable members of this House. The honorable and learned member for Wannon has given them every possible assistance, and I think the Federation show that they are guilty of gross ingratitude, when they are not even prepared to recognise the Herculean services rendered in their behalf by the honorable member for Kooyong. While many honorable members opposite do not adopt in set terms the designation of employers' representatives, they make it their business on all occasions to so attempt to safeguard their interests that there is no reason for them to complain of non-representation in this Chamber. With a view to prevent the passing of this measure, another statement has been made by this organization to the effect that the Conciliation and Arbitration Act of New South Wales, upon which this Bill was originally largely framed, has retarded investment, and harassed employers in that State. The latest statistics available are those for the year ending 31st December, 1903, and it is curious to find, on referring to *Coghlan*, that during that period—notwithstanding the effects of a drought of the greatest severity that the State has ever experienced, and which has had a paralyzing influence upon a large number of industries—there was an increase of nearly £250,000 in the capital invested in manufactories. This increase took place, despite the fact that the drought compelled a number of employers to close their factories pending a general revival in trade, and that the Conciliation and Arbitration Act was also in operation.

Mr. MAUGER.—The increase was due to the new protection.

Mr. WATSON.—I do not wish at this stage to discuss other issues. The Employers' Federation also assert that the operation of the State Act has led to a lessening of employment in New South Wales. We find, however, on turning to the statistics for the year 1903, that, notwithstanding the effects of the drought, there was an actual increase of employment in industries which were subject to awards given by the Court. In that year the following reductions in the number of employés in different industries took place in New South Wales:—Flour mills, 61; breweries, 64; sugar refineries, 116; brick works, 52; boiling down, tanneries, wool-washing, &c.—and the reduction in this case would certainly be due to the drought —400; engineering, 900; meat preserving, 240; docks and slips, 350; a total reduction in these industries of over 2,200. In many other branches of industry there was an increase in the number of hands employed; but to none of those which I have just quoted—and they are the only industries in which any substantial reduction has occurred—has an award of the Conciliation and Arbitration Court been applied. On the contrary, according to Mr. Coghlan, there has been an increase in the number of persons employed in every industry in

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respect of which an award of the Court has been made.

Mr. KENNEDY.—What does that prove?

Mr. WATSON.—It shows that the statement made in the memorial addressed to honorable members by the Employers' Federation is absolutely without foundation; it proves that there has been no lessening of employment as a result of the State Conciliation and Arbitration Act, and their assertion as to the restriction of the investment of capital is not borne out.

Mr. HIGGINS.—Do they quote a single case in which such a thing has occurred?

Mr. WATSON.—They do not refer to any specific case.

Mr. KENNEDY.—Do these figures prove increased production in the industries in question?

Mr. WATSON.—No. Nearly every industry to which I have referred—and the list comprises all those in which reductions of any importance have occurred—has felt the effects of the drought; but not one of them has been affected by an award of the Court. As a matter of fact, no award applying to them has been made. That is all I wish to prove. The falling off in the number of persons employed has not been due to the operation of the State Act.

Mr. ISAACS.—The honorable member is simply controverting an argument of the other side.

Mr. WATSON.—Yes; I do not say that these facts show that a Conciliation and Arbitration Court is a good thing in itself, but they disprove the statements made in the memorial to which I have referred. Coming to the amendments made by another place, the Prime Minister stated yesterday that the fact that the provisions in the New Zealand and New South Wales Acts, allowing the Court to interfere in disputes affecting agricultural labourers, had not been availed of, was a reason why no provision should be made in this Bill for the settlement of any disputes that may occur amongst those engaged in such an occupation. I admit that for eight or nine years past the Conciliation and Arbitration Court of New Zealand has had the power to deal with disputes amongst agricultural labourers, and that during that period no such dispute has been submitted to the Court. But there is a variety of reasons for that. In the first place, in New Zealand, agricultural labourers are in a much better position than they are in Australia.

Mr. EWING.—The statistics do not prove that.

Mr. WATSON.—I happen to know what wages were paid two years ago, when I visited New Zealand, and I am also aware of the wages paid to those engaged in similar employment in some parts of New South Wales. So far as I am aware, the conditions both in regard to wages and hours of labour of agricultural employés in New Zealand are much better than are those prevailing in Australia.

Mr. BRUCE SMITH.—The honorable member saw the statement made a few days ago by the Premier of New Zealand that the cost of living had increased by thirty per cent.? That lowers the purchasing value of the wages.

Mr. WATSON.—The cost of living does not relate wholly to goods which an agricultural labourer must buy. The cost of living, to the community as a whole, includes rent, and we all know that rents have gone up. I deny that the cost of food, so far as agricultural labourers are concerned, has materially increased. The cost prices are not materially higher now than they have been for some years. But owing to the increase in general prosperity, rents have gone up. Every one knows that as soon as prosperity is evident in any country, rents are raised. That fact simply proves that, however prosperous a country may be, the major portion of the benefit is secured by the owner of land.

Mr. BRUCE SMITH.—Mr. Seddon spoke, not of rents, but of the cost of living.

Mr. WATSON.—I am aware of that; but does not the honorable and learned member recognize that he was speaking of the population generally, while I am referring to agricultural labourers, who, as a rule, live in their employers' houses, and pay no rent?

Mr. BRUCE SMITH.—But they eat and wear the same things as do other members of the community.

Mr. WATSON.—Of course they do. If the honorable and learned member had paid particular attention to the report to which he refers, he would know that special reference was made to the increase in rents. Mr. Tregear drew attention to the advanced cost of living, and said that this was due chiefly to the fact that rents had gone up. He advocated that some effort should be made to restrict the power of landlords to collect toll from the rest of the community in the manner in which they were doing. I do not wish to argue this point at length;

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but, generally speaking, the condition of the farm labourer in New Zealand is better than that obtaining in Australia. Even if that were not so, I admit that it is difficult to secure anything like organization among farm labourers, because to a very large extent they do not remain long in the same employ. But the fact that no organization has existed hitherto is no guarantee that——

Mr. MALONEY.—In New Zealand a good many of the agricultural labourers have been organized.

Mr. WATSON.—Not largely as agricultural labourers.

Mr. MALONEY.—In two or three cases they have organized.

Mr. WATSON.—Generally speaking, I think I am fairly correct in asserting that there is no organization of agricultural labourers as such in New Zealand, although some of them are included in organizations of ordinary labourers. That, however, is a matter of no value, so far as my present argument is concerned. The point I wish to make is that the fact that there is no organization amongst farm labourers in Australia is not a guarantee that there is no need for organization among farm labourers, or that there is no cause of complaint. The men are scattered, and it is difficult to secure united action. In my own district, however, I have known a temporary organization to be set up where men met in the harvest field for the first time, agreed to stand out for a certain wage, and succeeded. That brings me to another phase of the argument in relation to the position of agricultural labourers to which I think sufficient attention has not been directed. A number of honorable members, led by the honorable and learned member for Wannon, assume to be the farmer's champions, in these and other matters, simply because they are attempting to exclude him from the operation of this Bill. They tell us in doleful tones of the trouble which will accrue to the farmers if the provisions of this Bill are extended to them. We are told that the farming industry will not permit of a working day of eight hours, or of the payment of a daily wage of eight shillings. The natural assumption on the part of those who listen to such statements, and have not studied the working of Conciliation and Arbitration Acts elsewhere, is that if agricultural labourers be brought within the purview of the Court farmers will be compelled to pay them a wage of eight shillings per day, and to observe the eight-hours system. That is simply ridiculous. It is a statement which may be good enough to put before those who take no interest in the matter, or who are so blinded by prejudice that they refuse to investigate the matter for themselves; But, as a matter of fact, it is well known that in New South Wales the Court has, on quite a number of occasions, given as an award the direction that many more than forty-eight hours a week shall be worked.

Mr. HUGHES.—That has been done in the majority of cases.

Mr. WATSON.—I accept the correction of the honorable and learned member, who is more closely acquainted with the working of the Court than I am. I know that in respect to the trollymen and draymen the hours allowed by the Court are sixty a week. Hotel employés also work about sixty hours a week.

Mr. HUGHES.—Never less than sixty.

Mr. WATSON.—The hairdressers work fifty-nine hours, and the bread-carters sixty hours a week. In one of these cases an agreement as to the number of hours to be worked was come to and assented to by the Court, but in the other cases the question has been adjudicated upon by the Court. Therefore, it does not follow that if the agricultural industry were subject to the control of the Court, any but the most reasonable view would be taken of a dispute. The Court is not likely to shed its common sense merely because a dispute affecting farmers comes before it. It would naturally be guided by the evidence and the conditions of the industry.

Mr. KENNEDY.—The chief difficulty lies in the want of uniformity and in the inequality of conditions which prevail in the farming industry.

Mr. WATSON.—I will deal with that objection presently. With regard to wages, I find that the New South Wales Court has fixed the rate for hairdressers at 45s. a week, and for bread-carters at the same amount, without board or lodgings in each case.

Mr. HUGHES.—The wages of the trolly and draymen have been fixed at 40s. a week.

Mr. WATSON.—Yes. Those instances show that the Court will be guided by the circumstances of the industry, and would not be likely to impose outrageous conditions upon the farmers. But it is urged that it is impossible, because of the variety of soil, climate, and other conditions throughout Australia, to impose anything

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like uniform rules on the farming community. That objection was raised by the Prime Minister, and has just been repeated in the interjection of the honorable member for Moira. Every one must admit that the conditions of Australia are most diversified, though they are not more diversified in regard to agriculture than in regard to many other industries.

Mr. KENNEDY.—In what branch of manufacture are conditions so much diversified?

Mr. WATSON. — Will the honorable member say that the conditions of manufacture at Coolgardie do not differ materially from those obtaining in Melbourne, or that the conditions prevailing in Normanton or Croydon, Queensland, are not altogether different from those prevailing in Tasmania?

Mr. KENNEDY.—The processes are the same in any given manufacture; the difference is only one of climatic conditions.

Mr. WATSON.—The climatic conditions of Australia vary so much that allowance will have to be made by the Court for the variation. It would be no more difficult, however, to make such allowance in an award in respect to agriculture than in an award affecting any other industry.

Mr. KENNEDY.—The honorable member ought to try farming for a year.

Mr. WATSON.—I worked on a farm once for more than twelve months, and I know enough of farming to be aware that there is a great difference of conditions between farming in one district and farming in another. The Court is empowered to draw any distinction that it likes. It may fix wages and conditions at certain rates and hours in one district, and in another district award quite different conditions. There is no compulsion on the Court to make its decision absolutely uniform throughout the area affected. It would be eminently foolish to attempt anything of the kind. As we have not made that necessary, I cannot understand the suggestion of the Prime Minister that it is impossible to include farmers because of the variation of conditions.

Mr. EWING.—What becomes of the common rule, if decisions are not made to apply uniformly?

Mr. WATSON.—The honorable member misunderstands the term if he assumes that under a common rule every award must apply equally over the district for which it has been given.

Mr. EWING.—Without variation.

Mr. WATSON.—Nothing of the kind is intended. The common rule is an extension of the general principle of an award, but the details for different districts may be altogether distinct. The Court may say that in one place £2 a week shall be paid, and in another 30s. a week, while in one case it may insist upon eight hours a day being worked, and in another case allow eighteen hours a day to be worked. The Court will have full power to vary its award as the circumstances seem to justify. I admit that the term "common rule" is somewhat of a misnomer.

Mr. DEAKIN.—I suggested the term "general rule."

Mr. WATSON.—Yes, and but for the fact that the term "common rule" has been embodied in the New South Wales legislation, and is generally understood by those who have taken an interest in compulsory arbitration, I should have been inclined to support the honorable and learned member's suggestion. The words "common rule" seem to convey more than the provisions of the Bill justify.

Mr. DEAKIN.—They are interpreted as meaning a universal rule; which they need not mean.

Mr. WATSON.—Quite so. It would be impossible for a Federal Court to apply an award over a large area without qualification. The power of the Court to vary its awards will apply with full force to agricultural interests, should they be brought within the scope of the Bill. There is one other aspect of this matter which, I think, requires attention, and that is the motives underlying the proposed application of the provisions of the Bill to the agricultural industry. It is not merely desired to improve the condition of the agricultural labourers. The effect of an appeal to the Court may be to reduce wages. The main justification for this legislation is that it will prevent strikes, locks-out, and other disturbances of industrial conditions, and thus save the community great expense, and prevent bad feeling. On those grounds, we have every reason to support the inclusion of the farming industry. The farmer has as much interest as has any other employer in insuring that there will be no stopping of his operations. Indeed, he has a greater interest, because, while the manufacturer goes on unvaryingly turning out his products during the year, one week being of no more importance to him than another, all the farmer's chances of success are bound up in the results of two or three weeks, or of two or three months at the outside. It is of the utmost importance to him that

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there shall be no halt in the garnering of his crops, lest he lose the result, not of a week's or of a month's labour, but of his efforts for the whole year. Honorable members who profess to be acting in the interests of the farmer may be acting diametrically in opposition to his interests in excluding him and his employés from the operation of this measure, and preventing him from having any redress if a strike occurs. While the farming industry is without the scope of the Bill the machinery of the Court will be powerless to afford the farmers any assistance should their men be disposed to allow the standing crop to remain ungarnered. Should they refuse to reap, to strip, to winnow, or to thrash, the farmer must bear the whole loss. That is not a fancy picture.

Mr. KENNEDY.—It is a long way from being the real picture.

Mr. WATSON.—The honorable member may have been always associated with those who have not objected to the wages offered to them by farmers, though in another branch of land employment he has occasionally stood up for other terms than those offered by the employers.

Mr. KENNEDY.—I have never known trouble to arise in a farming community about wages.

Mr. WATSON.—That has not been my experience. During the last harvest there were several small strikes in my district—that is, several instances in which men refused to accept work on the terms offered to them by farmers.

Mr. KENNEDY.—I never heard of such a thing in my district.

Mr. WATSON.—The docility of the people there is not reflected in their representative, then. What I refer to occurred during harvest time. I do not say that there have been similar occurrences at any other period.

Mr. GLYNN.—The Bill does not cure that.

Mr. JOSEPH COOK.—It would not drive men to accept work.

Mr. WATSON.—Certainly not.

Mr. ROBINSON.—The Bill would not prevent such strikes.

Mr. WATSON.—I think that it would. At any rate, it would go a long distance towards preventing them. I do not say that any serious trouble is likely to occur in the farming industry until organizations are formed. The strikes to which I have referred were only spasmodic efforts, not the ----'t of actions of organizations. Consequently, they had not the seriousness from the stand-point of the community at large which a general strike would have, though they were none the less serious for the individuals concerned. If the agricultural industry came within the scope of the Bill, and an organization of farm labourers existed, they would promulgate their ideas in respect to terms of employment, and if the farmers were not prepared to accept those terms they would probably be summoned before the Court long prior to the beginning of harvest operations. Do honorable members seriously contend that shearing operations are not likely to be affected by this Bill? So far as principle is concerned, the operation of pastoralists and farmers would be on the same footing if organizations were formed. If organizations exist we must make arrangements to prevent strikes occurring.

Mr. GLYNN.—There must be employment before there can be a strike.

Mr. WATSON.—The honorable and learned member is wrong there. In New South Wales, in the case of the wharf labourers, steps were taken to provide conditions for labour long before the opportunity for labour occurred. It is rather important that the honorable and learned member for Angas should know that the wharf labourers, whose employment is intermittent, and who, under the suggestion he has put forward, would be under no obligation to observe the conditions laid down by the Court, are, as a matter of fact, bound under penalty to find labour whenever it is asked for.

Mr. GLYNN.—There is nothing in the Bill that would force men to work unless they had been previously employed.

Mr. WATSON.—The honorable and learned member is mistaken.

Mr. HUGHES.—The advantages conferred by the award of the Court, including the condition of preference, would be lost to the union unless they provided the labour required.

Mr. GLYNN.—But men cannot be forced to accept work.

Mr. WATSON.—The same provision that exists in New South Wales is embodied in the Bill before us, and, therefore, what has been found possible in that State could also be accomplished under this measure. I contend that the award of the Court can be made anterior to the actual work being done—that is, the work in the harvest field—and that the union will have

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a direct interest in seeing that the conditions of the award are observed, and that the labour required is supplied. That has occurred in New South Wales under conditions which would be repeated under this Bill.

Mr. McCAY.—Does the honorable member mean that the Arbitration Court would order the Agricultural Labourers' Union to find men for any farmer in Australia who needed harvesters?

Mr. WATSON.—The Minister has hardly grasped my point. I say that the Wharf Labourers' Union in New South Wales has a direct interest in supplying all the labour required, and that the same inducement could be held out to the Farm Labourers' Union, if one existed under this law. You cannot compel, but, in the absence of some endeavour to supply labour, you can take away a privilege, which in itself would be a loss to the unions, and consequently all their interests lie in the direction of supplying the labour required. That has been done in New South Wales, and the same course could be followed by the Federal Court with equally satisfactory results.

Mr. KENNEDY.—Imagine a farmer at Gundaroo allowing a non-unionist to pass his door, and waiting until he could apply to the union officials at Wagga for harvesters.

Mr. WATSON.—I do not suppose that would occur. It has been usual for employers to give notice of their desire to employ men. Even in such cases as that to which the honorable member has referred, farmers have had to send into the towns a few days ahead in order to secure the labour they required.

Mr. McCAY.—In the case of the wharf labourers in Sydney, the whole of the work is concentrated upon a few acres.

Mr. WATSON.—Of course, I admit that the area is limited in that case, but after all there would be no greater difficulty, so far as the supply of labour was concerned, in the case of the agricultural industry. At present the farmers are dependent very largely for a supply of labour at crucial moments upon what they can obtain from the various towns. Last year, when we had an abundant harvest in New South Wales, it was often very difficult to obtain labourers at the right moment. In any case, there need be no difficulty in working this provision, so far as it affects employment in the agricultural industry. If organizations were formed among the farm labourers, and demands were formulated, the condition of the farmers without the Bill would be infinitely worse than if it were in force and applying to them.

Mr. KENNEDY.—The farmer does not say so.

Mr. WATSON.—The farmer in Victoria is apparently a person who is very easily alarmed. He becomes stampeded or panic-stricken upon the strength of a few words uttered by the honorable and learned member for Wannon, or some other gentleman who, for the time being, poses as his friend.

Mr. KENNEDY.—He has a much better idea of his own requirements than have the Labour Party.

Mr. WATSON.—The residents in the country districts of Victoria appear to be changing their opinions, even on that head. I have met a considerable number of farmers who are beginning to lose faith in their gods, and are apparently inclined to think that their Joss deserves to be sacrificed at the first favorable opportunity—as the honorable member will probably find out later on. I should like to say a few words with respect to domestic servants. I do not pretend that this is a very important matter, because in the first place it seems as though it will be a considerable time before any organization that will affect a number of States is formed amongst domestic servants. Further, it would be much more difficult to insist that a dispute between employer and employed, affecting only domestic servants, came within the purview of the Constitution, than would be the case in other classes of employment. At the same time, I feel, as I felt when this matter was under discussion before, that, although it is not of pressing importance, it would be wise not to hamper the Court by imposing restrictions as to the class of persons to whom the Act shall apply. My own feeling is that we should leave the Court absolutely free to apply the measure to all those classes of persons contemplated by the Constitution.

Mr. BRUCE SMITH.—But the honorable member must know that the New South Wales Arbitration Court have already determined that domestic servants do not come within the meaning of the term "industry."

Mr. WATSON.—That is because domestic servants are excluded from the operation of their law.

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Mr. BRUCE SMITH.—The Court determined that they were not engaged in an industrial occupation.

Mr. McCAY.—Does the honorable member think that domestic servants are "industrial" within the meaning of the Constitution?

Mr. WATSON.—That is a very difficult question to answer.

Mr. WATKINS.—If they are not, why should we exclude them from the operation of the Bill?

Mr. WATSON.—I am not anxious to exclude them. I think that we should include them within the scope of the Bill. If the Court held that "industrial" did not cover the work done by the domestic servants no harm would be done. Honorable members, in supporting the exclusion of domestic servants, seem to lose sight of the main intention and purpose of the measure, which is to provide a remedy at law for a condition of things approaching war. We say that industrial strife inflicts injury upon the community by involving loss to business people and the public as a whole, and we are attempting to remedy that condition of affairs by setting up a tribunal which will bring all such disputes to a termination upon fair and equitable lines. If we keep that object in view, why should we not extend the operation of the measure to all classes of the community to whom it can be held to apply? If a strike occurs in any walk of life it disorganizes industry.

Mr. GLYNN.—Was there ever a strike amongst domestic servants?

Mr. WATSON.—I believe there was, and upon a scale that, had we been living, would have appealed to us. I believe that upon one occasion the plebeians of Rome refused to do anything for the patricians, and all walked out on strike.

Mr. McCAY.—But they were not domestic servants.

Mr. WATSON.—Some of them were.

Mr. GLYNN.—Domestic servants are always going to strike, but never strike.

Mr. WATSON.—I do not know whether it is wise, or necessary, to proceed any further, seeing that the Government majority has arrived.

Mr. CAMERON.—It is a majority that the honorable member would have been very glad to see on his side, but he is not likely to get it.

Mr. WATSON.—I dare say that some persons are very much relieved to hear that. We should have been glad of the honorable member's assistance — merely temporarily. Our views and his are so dissimilar that there was no prospect of his loyalty being exercised upon this side of the House for any great length of time.

Mr. CAMERON.—All the same, my assistance would have been acceptable.

Mr. WATSON.—The honorable member's assistance might have been welcome for the immediate purpose we had in view. I do not pretend seriously that I have known of a large industrial crisis being precipitated by the action of domestic servants, but it is impossible for us to foretell what may happen, and the wiser and safer course to adopt, as a mere matter of insurance, would be to exclude no one from the Bill, but leave it altogether to the Court to determine what the Constitution intended. If strike conditions arose, the machinery would be provided which would enable the remedy to be applied at once without involving the community in loss. I do not pretend that this is a very urgent matter, but I think that, as a matter of principle, this class of employés should not be excluded from the Bill. I should now like to say a word or two with respect to the amendment relating to preference to unionists. The Prime Minister yesterday referred to the sacrifices which honorable members on his side of the Chamber were making in permitting the possibility of any preference being granted to unionists by the Court. I have already stated that whatever their intentions may have been, it seems to me that they are offering the shell of preference to those who are asking for it and are retaining the kernel. They must know full well that the provision which was inserted at the instance of the honorable and learned member for Corinella rendered it absolutely impossible—and I make this statement after having thought over the matter again and again, with the utmost anxiety to see the measure passed in a workable form—that the measure could be effective.

Mr. McCAY.—That is mere assertion.

Mr. WATSON.—Yes, but we have to recollect that all those who have been concerned in bringing forward arbitration legislation in the past—whether it be Mr. Reeves in New Zealand, the right honorable member for Adelaide, or Mr. Wise in New South Wales—have realized that to enable a measure of compulsory arbitration to be successfully worked, it is absolutely essential that a preference shall be granted to unionists. When honorable members oppo-

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site declare that it is easy to comply with the terms of the amendment which was inserted at the instance of the present Minister of Defence, they appear to imagine that all the unionists engaged in any particular industry can be gathered together in a square acre—that they can be consulted without difficulty, and their desires ascertained, and made known to the Court. Yesterday the Prime Minister urged the great diversity of climate and of the conditions of their employment generally throughout Australia as a reason why farm labourers should not be included within the scope of this Bill, but he failed to observe that his argument had rather a boomerang sort of effect upon his own proposals with regard to preference. If the diversified conditions which exist throughout the Commonwealth—the differences of climate and the scattered nature of our population—constitute an objection to including agricultural labourers within the scope of this measure, surely those conditions are ten times more effective as an objection to the restriction upon preference which is involved in the amendment adopted at the instance of the honorable and learned member for Corinella. If it be difficult to make an Act work smoothly in respect of agricultural labourers owing to the different conditions which obtain throughout Australia, how much more difficult is it to insure that the wishes of the majority of those who are likely to be affected by any award of the Arbitration Court shall be ascertained and conveyed to that tribunal? In the absence of a provision relating to preference, it seems to me that the whole scheme for compulsory arbitration must fall to the ground. Unless the unions have some direct interest in upholding the decisions of the Court, they are not likely to concern themselves in insisting upon effect being given to its awards, and especially if those awards involve a reduction of wages. If a preference had not been granted to unionists at Newcastle, would the Employés Association have insisted upon the Teralba miners resuming work? I contend that it would not. Further, unless the unions are recognised as bodies charged with the responsibility of assisting the Court, there is no possibility of effect being given to its awards. In speaking of the case of the trolley and draymen in Sydney the other day, Judge Cohen made some remarks upon the preference question, which, I think, it would be advantageous for me to quote. He adopted the attitude which was previously assumed by Chief Justice Stout in New Zealand, where no specific provision that a preference should be granted to unionists was contained in the Conciliation and Arbitration Act. The Chief Justice of that country and his colleagues unanimously held that the granting of such a preference was an essential condition to the operation of the Act, and that the law did not contemplate the settlement of disputes between employers and individual workmen, but only of disputes between employers and organizations. The Court held that the whole measure was based upon organizations, and not upon individuals.

Mr. EWING.—That point is not being contested now.

Mr. WATSON.—I hold that it is. The honorable member is one of those who is prepared to consent to the granting of a so-called preference to unionists, whilst taking every step to insure that no real preference shall be extended to them.

Mr. EWING.—I believe in majority rule.

Mr. WATSON.—We shall test the honorable member upon that point at a later stage. Judge Cohen, following the dictum of Chief Justice Stout, said—

> Finding that collective bargaining by industrial unions is vital to the operation of the Act, I consider that where an industrial union fairly and practically represents an industry—

Those words might be remembered by honorable members with advantage—

> so far as the employees are concerned, that preference should be granted to unionists.

He also said a great deal more, but I have quoted sufficient for my purposes. He declared that so long as an industrial union "fairly" represented an industry, a preference should be granted to unionists. As a matter of practice, it is impossible to give effect to the intention of any legislation of this character, unless such a preference be extended to them.

Sir JOHN FORREST.—He did not say that, did he?

Mr. KELLY.—He said "fairly"—not "substantially."

Mr. WATSON.—If the honorable member for Wentworth can differentiate between "fairly" and "substantially" he is at liberty to do so.

Mr. KELLY.—"Fairly" may mean so far as their qualifications are concerned.

Mr. WATSON.—In either case we must trust to the good sense and judgment of the

President of the Arbitration Court. I hope that the Committee will take some steps to insure that the preference extended to unionists shall be a reality, and not a shadow, and that when the Court finds, after minute examination of all the circumstances of the case, that a union reasonably represents those who are engaged in any industry, it shall not be precluded by mere technical objections from giving effect to what it believes to be right in equity and good conscience.

Sir JOHN FORREST.—What about those honorable members who do not believe in preference at all?

Mr. WATSON.—Who are they?

Sir JOHN FORREST.—I am one of them.

Mr. WATSON.—That remark reminds me of the fact that the right honorable member is one of those who has occasionally attempted to castigate others for voting against their consciences. He has declared that he does not believe in the machine politics of the Labour Party, or in the caucus system. He holds that such methods are evidence of a degeneration in Australian politics. But, although he does not believe in extending a preference to unionists, he was content to occupy a seat upon the Treasury benches and to retain office whilst his colleagues put forward a proposal in favour of it.

Sir JOHN FORREST.—That is not a fair argument to use.

Mr. WATSON.—I do not suggest that the right honorable member was influenced in his action by the mere emoluments of office, but it seems to me that the dignity attaching to the position had some effect upon his conclusions. When we enter upon the detailed discussion I hope to submit an amendment which will afford honorable members an opportunity to make preference a matter of fact, and which will give to the Court power to grant that preference whenever it thinks it necessary to do so.

Mr. McCAY.—Will that proposal include majority rule?

Mr. WATSON.—I hope so. So far as my own feeling is concerned, I still entertain the view which I have consistently held, that upon this matter we should impose no bar whatever upon the decision of the Court. We should allow it to decide fully and fairly, in the light of all the evidence that is obtainable. I need scarcely point out that we propose to intrust that tribunal with the determination of issues which are almost incalculable. Why, the whole question of employment within the Commonwealth will be dependent upon the judgment of its members. The President will hold within the palm of his hand all the industrial enterprises of Australia, and conceivably might, under some circumstances—if, for example, he were suddenly to develop insanity—impose conditions which would result in closing them. Of course, we do not anticipate any such result, but it seems to me that some honorable members take up a peculiarly illogical position. Whilst they are prepared to vest these plenary powers in the Court, they hesitate to allow it to exercise a discretion in the matter of granting a preference to unionists. I cannot understand swallowing the camel and straining at the gnat in that way. I admit that there are many honorable members upon the opposite side of the Chamber who, some time ago, were equally anxious with me that we should pass a Conciliation and Arbitration Bill in as nearly perfect a form as possible. I trust that they will seriously consider any amendment which may be submitted, and not determine in anticipation to insist upon effect being given to every jot and tittle of our previous decisions. I now wish to address myself to clause 55 of the measure. Honorable members will recollect that, in that provision, an amendment was moved by the honorable and learned member for Corinella, the effect of which was to prohibit the submission of plaints to the Court by any organization whose rules or binding decisions allowed its funds to be devoted to political purposes, or which required its members to do anything of a political character. Thereupon the honorable and learned member for Darling Downs proposed that under similar conditions no preference should be granted. He affirmed that the unions should be allowed to submit their plaints, but that no preference should be granted——

Mr. GLYNN.—That is not the way in which that provision now reads, although I know that it represents the general wish. It does not affirm that unionists may not get a preference upon the application of a person who is bound by the award.

Mr. WATSON.—I do not pretend to be able to interpret language from a legal stand-point as well as can the honorable and learned member, but it seems to me that the use of the words "shall not be entitled" practically precludes the Court from

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granting a preference under any conditions where such rules are operative.

Mr. GLYNN.—Unionists might obtain the benefit of a preference upon the application of somebody else.

Mr. WATSON.—I cannot follow the reasoning of the honorable and learned member. When the amendment of the honorable and learned member for Darling Downs was submitted I was prepared, on behalf of the then Government, to accept it. I made a reservation in regard to its phraseology, but I eventually accepted it, in view of the necessity of safeguarding the interests of those who might be otherwise constrained to join a union which applied its funds to political purposes with which they had no sympathy.

Mr. MCCAY.—Has the honorable member read the remarks of Senator Stewart?

Mr. WATSON.—Surely that gentleman is entitled to express his own opinion; we certainly have not reached a stage at which it is necessary to suppress the opinions of any individual. I think that the amendment carried in this Chamber would have an effect different from that which a majority of those who voted for it intended. It precludes, for instance, a union devoting any money to any political object, even if all its members be in agreement.

Mr. DEAKIN.—An organization—not a union.

Mr. WATSON.—I intended to refer to a union as an organization to which preference had been granted, or was proposed to be granted. If the clause were passed as it left this Chamber for another place, it would render it impossible for a union to make a grant towards any object of a political character, however worthy it might be, and even if its members were unanimously in favour of that course. I think that the amendment in question was put forward to prevent anything in the nature of the coercion of a member of an organization in the direction of party politics. It was held to be undesirable that an individual member of a union should be coerced to support, say, a member of the Labour Party, or that its funds should be used for party political purposes. But matters relating to party politics do not cover the whole sphere of a union's operations in the political world. Every one is aware that long before the Labour Party was thought of as a political entity, unions were compelled by necessity to resort to political action. Almost every day they had to take political action in some shape or other; agitations had to be conducted in order that the public conscience might be aroused in regard to existing conditions which prejudicially affected labour. But as the result of the amendment which we made, any union desiring to conduct a public agitation in reference to legislation, and without regard to party politics, would have to refrain from doing so, and to continue to suffer the injustice which that might involve, unless it was prepared to forego the preference that might be essential to the proper working of an award of the Court. A Conciliation and Arbitration Court cannot deal with all the conditions that surround a workman. It cannot deal with questions of sanitation, or with the matter of compensation for injuries or death. There are a thousand and one matters that are wholly outside the purview of such a Court, but which materially affect the members of various unions.

Mr. MCCAY.—That matter is not at issue between the two Houses.

Mr. WATSON.—With all respect, I hold that it is. The Senate having amended the clause, it is quite within our power to pass anything relevant to the amendment. I imagine that if honorable members are of opinion, after consideration, that an error has been made in this regard—that we have gone farther than we intended—they will not stand on their dignity, and allow an injustice to be perpetuated.

Mr. JOHNSON.—The real objection was to the conversion of an industrial organization into a political organization.

Mr. WATSON.—Quite so; but the honorable member knows very well ——

Mr. MCCAY.—We cannot alter what has not been touched by another place.

Mr. WATSON.—We may vary these words; we may modify them in any way. The honorable and learned member is aware that such action has been taken hundreds of times in relation to Bills passing between the States Houses. I have some warrant for the assertion that it would be quite in order to define or limit the operation of any words which have been inserted by another place, and which are now before us. We have the power to modify any proposal of another place, and to modify, in turn, any of our own proposals, as an alternative offer to them.

Mr. MCCAY.—I agree with that.

Mr. WATSON.—Then, the honorable and learned member admits that we have

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power to do what I say. I was about to remark, when interrupted by the Minister, that the honorable member for Lang knows that unions have been engaged almost from time immemorial in political agitations.

Mr. KELLY.—Could not the men individually subscribe to such an agitation?

Mr. WATSON.—Certainly they could; but I do not know whether the honorable member has experienced the difficulty of inducing thousands of men to subscribe individually to any particular object. In the first place, it is often very difficult to bring them together.

Mr. HUTCHISON.—Why should we dictate to them as to the way in which they shall subscribe to such objects?

Mr. WATSON.—If they desired to subscribe to an agitation to secure a Workman's Compensation Act, or better sanitary laws, why should they be prevented from doing so? Every member of a union might be of opinion that such action should be taken, but, as the result of our decision, it would be unable to do so, except at the risk of losing any chance of preference.

Mr. KELLY.—Even if it be granted that the members of a union were unanimously in favour of subscribing to a certain object, men might still be forced to join one in some of the objects of which they did not believe.

Mr. WATSON.—There is a wide distinction between a proposal affecting the living and working conditions of members of the union, and one of a party political character, which might have for its object the return of a member of a particular party to Parliament. We are discussing this matter in relation to the question of preference, and it seems to me to be altogether a misnomer to talk of giving preference to a union, if those who belong to it are to do none of those things that are open to a union as ordinarily constituted. When we impose such a limitation we depart from the ideal of a real preference, as well as from the true ideal of unionism. I submit these considerations to the Committee, so that it may have some idea of what honorable members of the Opposition desire. I am hopeful that the Committee will exhibit some real anxiety to pass the Bill, and to pass it in an effective shape. I believe that a majority of honorable members have that desire; and I certainly do not think that the Bill if passed in the form proposed by the Government would be effective. It would not be satisfactory to the people of Australia, or to the members of another place. Seeing that the downfall of a Government is not involved—that so far as the Treasury benches are concerned, it is immaterial what course be taken—I feel that, as these conflicting matters, which intervened when the question was before us on a previous occasion, are out of the way, honorable members will now have an opportunity to consider it without prejudice; and consequently I appeal earnestly to them to make some effort to improve the Bill, and to render it effective in the eyes of the people.

The CHAIRMAN.—I would point out that there is really no question before the Chair, and I therefore suggest that the Minister in charge of the Bill should submit a motion upon which a general discussion might take place.

Mr. McCAY (Corinella).—I move—

That the amendment be disagreed to.

I submit this motion on the understanding that honorable members will be entitled to carry on the discussion initiated by the Prime Minister and the leader of the Opposition.

Mr. ROBINSON (Wannon).—I am glad that the Government have decided to ask the Committee to disagree with three of the four amendments which have been made. On each of these a very long and exhaustive discussion took place when the Bill was before the House on a previous occasion. The debate on the amendment exempting farmers from the operation of the Bill extended over three or four days, and the whole subject of the application of the measure to the farming industry was exhaustively discussed. Honorable members of another place have asked us to reverse our decision in regard to this matter. It was asserted by a leading member of the Labour Party in the Senate that the amendment submitted in this Chamber, exempting farmers from the operation of the Bill, was carried largely because of a desire to deal a blow at the Labour Party. That assertion is utterly without foundation. Almost every honorable member at present sitting on this side, as well as the honorable member for Hume, the honorable and learned member for Indi, the honorable member for Moreton, the honorable and learned member for Darling Downs, and two or three other members of the Opposition, voted for the amendment. There must have been some convincing reasons for exempting farmers from the operation of the

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Bill, and I think that those reasons have been pointed out to a large extent by the interjections made this afternoon by the honorable member for Moira and one or two other honorable members on this side. The conditions of the farming industry are very different from those of any manufacturing industry. In the latter there is, in most cases, a large amount of capital invested, and very often a great number of men working under the one roof, but in the great majority of cases farming in Australia is purely a home industry. It is carried on by the farmer and his children. The conditions relating to it are altogether different from those of the manufacturing trade, and a regulation which might apply to the latter would certainly be totally inapplicable to the former. I do not wish to discuss the fiscal question, but it must not be forgotten that the manufacturers of Australia are, to some extent, shielded from competition, whereas the farmers are not. The products of the latter have to be sold in the markets of the world, and the world's prices must be accepted. Although our output of wheat and butter—two of our leading products—may appear very large, it represents but a fraction of the quantity consumed in the mother country. As a matter of fact we have never exported more than 10 per cent. of the butter and wheat consumed in Great Britain. It would be highly injurious to our export industry if our producers, who supply 10 per cent. of the requirements of Great Britain, were rendered liable to restrictions which cannot apply to the producers who supply 90 per cent. There is no such legislation as this in the United States, the Argentine, Canada, Russia, or Denmark, and if we adopt it, our producers, who, in addition to having to face the competition of the world, are further removed from the world's markets than their competitors, will be seriously handicapped.

Mr. POYNTON. — But the honorable and learned member does not think that this provision will be effective?

Mr. ROBINSON.—If it is not to be effective, it will be a piece of political hypocrisy to put it into the Bill. It sometimes happens, however, that provisions which are enacted in the belief that they will not be effective. are discovered to be effective. I believe in taking time by the forelock, and preventing the application of this measure to the farming industry. The honorable member for Bland drew a most harrowing picture of the evils which might result to the farmers if agriculture were not brought within its scope. He tells us that their operations might be suddenly suspended because of a strike of their employés, and that they might be ruined because their crops could not be garnered. The farmers of Australia, as a whole, however, would rather take the chance of that dire calamity than come under the Bill. That is the attitude of 99 per cent. of them. The honorable member told us that he knew of cases in his own electorate in which farm labourers had refused to commence work because the terms offered to them were not good enough. The Bill will not cure that state of things, because there can be no strike until employment has been accepted. If the members of an association to which preference has not been granted, or which has not been the subject of any award of the Court, do not commence work, there is nothing in the Bill to compel them to do so. Just after the New South Wales Arbitration Act was passed, the shearers on some stations refused to go to work, and when the pastoralists tried to force them to do so, they were told that if the men had accepted work, and had then gone out on strike, the Arbitration Act would have reached them, but that, as they had not commenced, it did not. The Supreme Court of the State decided that there could be no strike until employment had commenced. It is true that if a union is granted preference, the condition is imposed that there must be a supply of employés; but that is a different matter. I do not think that even the Watson Administration would have contended that preference would ever be granted to an association of farm labourers. Therefore, the fancy picture painted by the honorable member for Bland should not affect honorable members. If it does, I ask them to recollect that the farmers of Australia are willing to risk these dire disasters rather than have the Bill forced upon them. I suppose there is not a representative of a farming district here who has not got his pockets full of protests from farmers against the Bill.

Mr. TUDOR.—Mr. Walpole has been going round stirring them up.

Mr. ROBINSON.—The honorable member has Mr. Walpole on the brain. It is time that he got a new target to aim at. The resolutions on this subject which I

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have received do not come from organizations with which Mr. Walpole is connected. The protests which I have received come from men most of whom are known to me personally.

Mr. POYNTON.—The objection of the farmers is to the institution of an eight-hours day.

Mr. ROBINSON.—An eight-hours day is impossible on farms. What the farmers object to more than anything else is having a set of rules and regulations to be enforced by the Government stuck up in their barns, which they, their sons, and daughters, and every one who works for them must observe. They assume that even a Court, presided over by a member of the Labour Party, will see that an eight-hour day is impracticable in the farming industry. They rightly fear, however, that their ordinary methods may be altered, and that they may be bound hand and foot by regulations, for trumpery breaches of which they may be hauled before the Court and fined. They do not wish to be hampered in this way. They are content to work out their own salvation. Conditions in the farming industry have been improving year by year, and if this natural improvement is allowed to continue the complaints which are sometimes heard from honorable members of one party only will cease. There can be no gainsaying the fact that the farmers of Victoria are practically unanimous in their opposition to the proposal to bring the agricultural industry within the scope of the Bill. On the other hand, we have not received any petition from any association of farm labourers asking for the so-called benefits of this legislation. Notwithstanding the energy and enthusiasm of the honorable member for Darling, he has not been able to scrape up such a petition even in his large district.

Mr. BROWN.—The New South Wales farmers come under the State Act, and they do not object to it.

Mr. ROBINSON.—The honorable member knows that it has not been attempted to apply that Act to the farming industry, and that the honorable member for Hume, who was its author, asked honorable members here to specially exempt farmers from the Bill.

Mr. POYNTON.—No party asked for the repeal of that portion of the Act at the time of the last State general elections, although the honorable and learned member has said that it is ruining the farmers.

Mr. ROBINSON.—I have not said that it is ruining the farmers. What I say is that to bring the agricultural industry within the scope of the Bill will handicap our export trade, and injure the producing interests generally. It is hardly worth while to debate the proposal to bring domestic servants within the scope of the Bill. In this Chamber even, some members of the Labour Party voted against that preposterous proposal. I desire, however, to say a word or two in regard to preference to unionists. The honorable member for Bland has spoken of the decisions of the New South Wales Court. I think that in the decisions of that Court, it can be seen that the public opinion created by the debates on this subject has insensibly affected the minds of the members of the Court. When in Committee on the Bill, I showed, by evidence taken solely from the authorized reports of the Court, that it has in several instances granted preference to very small minorities, representing only a fraction of the trade affected. It was instances of that kind which gave the honorable and learned member for Corinella justification for the amendment which he carried. He held that the Court should not have power to give a minority of the workers in a trade a better chance of earning their living than the majority possessed. Up to quite recently, the New South Wales Court never refused preference to any union asking for it. I make that statement on the authority of Mr. George S. Beeby, a well-known legal practitioner in New South Wales, who has represented the trade unions in most of the cases which have come before the Arbitration Court, and who was a selected labour candidate at the last State elections.

Mr. HIGGINS.—I understand that in consequence of the honorable and learned member's speech, the New South Wales Arbitration Court has changed its tactics.

Mr. ROBINSON.—The honorable and learned member has a capacity for misunderstanding when he desires to do so, and he is never backward in employing it. Mr. Beeby has stated in the public prints that, after a perusal of the awards of the Arbitration Court, he has found that no application for preference has ever been refused by it. Exhaustive debates took place in this Chamber, in which every honorable member expressed his opinion that preference should not be granted to minorities. The members of the Labour Party took up the same attitude that we assume—

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the only question between us being one of verbiage. When the next claim for preference came before the New South Wales Arbitration Court, and it appeared that the claimant union represented only a minority of those engaged in the industry, the Court refused to grant preference. This was the first occasion upon which such an application had been denied. The Court had, in a previous case, granted a preference to unionists who were distinctly in the minority. Then occurred the case referred to by the honorable member for Bland. I forget the name of the union, but I think it was the Trollymen and Draymen's Union to which Judge Cohen granted preference, and laid down certain conditions. It was, in that instance, shown to the satisfaction of the Court that the union represented a large majority of the men engaged—I think it was about 1,200 out of the total of 1,600.

Mr. HUGHES.—The honorable and learned member is mistaken. Those are nothing like the facts.

Mr. ROBINSON.—I am merely quoting from memory; but the figures show that the claimant union represented a majority of those engaged in that calling. Judge Cohen said that the union fairly and substantially represented the industry. He drew a distinction between that case and the former one, in which the union were in a distinct minority. The position taken up by the Minister of Defence is that preference should not be granted unless a majority, reasonably ascertained, of those engaged in the industry are in favour of preference. I should like to refresh the memories of honorable members as to the attitude assumed by the late Prime Minister on this question. At page 4046 he said—

> The Government do not desire that preference shall be granted to minorities. We have put proposal of the honorable and learned member forward an amendment as an alternative to the for Corinella, in which we ask that before preference is granted the Court shall be satisfied that the organization substantially represents the industry affected in point of the numbers and competence of its members.

When this proposal was discussed in the Senate, two members of the late Government were present, but neither of them had the courage to argue in support of the proposition put forward by their late colleagues as a true and just solution of the difficulty. Some disparaging remarks have been made with regard to the change of opinion on the part of the right honorable member for Swan, but I think that a more marked instance of alteration of view is afforded by the members of the late Government. Both parties say that they are agreed that preference should not be granted to minorities.

Mr. HUGHES.—That is not our position at all.

Mr. ROBINSON.—I have quoted the statement of the leader of the Opposition, at page 4046, of *Hansard*, that—

> The Government do not desire that preference shall be granted to minorities.

Mr. HUGHES.—We say that when the unions fairly and substantially represent an industry they shall get preference.

Mr. ROBINSON.—Nothing could be more distinct than the statement of the late Prime Minister, which I have just quoted. That is emphasized by another statement which appears on the previous page, and which I shall quote. The late Prime Minister said—

> The practice in nearly every case in all the Arbitration Courts has been to grant a preference only when the majority reasonably ascertained is in favour of such preference.

That statement was made in good faith, although it was afterwards proved to be inaccurate. He said further—

> So far as I have been able to ascertain, the New South Wales Court has never granted preference to a union which did not appear to have a majority within the district to which it was to apply.

That statement was also made in good faith, although it was proved to be incorrect.

Mr. HUGHES.—In no case did the majority object to the granting of preference.

Mr. ROBINSON.—The employers objected to the granting of preference in the case of the saddlers.

Mr. HUGHES.—Yes, and to the application of the common rule.

Mr. ROBINSON.—Both sides say that they are in favour of the proposition that preference shall not be granted to minorities. The position taken up by the Government is that the Court must be satisfied that the claimant union represents a majority of those engaged in the industry affected. The members of the Labour Party propose words which they say are intended to have the same effect—but which are more nebulous than those employed by the Government—namely, that the claimant union must represent the industry in point of numbers and competence. If we take it for granted that the members of the

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Labour Party do not desire that preference shall be given to minorities, we cannot do better than convey to the Court a very distinct expression of our wishes. The decisions which have been given by some of the Arbitration tribunals have occasioned much surprise, and we cannot too distinctly and definitely make our intentions known—namely, that no preference shall be granted except in cases where a majority of those engaged in an industry is represented by the applicants. We have displaced one Government over this preference question, because we felt that it was such a vital matter; and that being so, we should be stultifying ourselves if we adopted any position other than that assumed by us upon a former occasion. The Government are to be congratulated upon the stand they have taken up with regard to the proposed amendment, and I hope that they will adhere to their position to the bitter end. I feel convinced that honorable members will support them in seeing that the Bill is carried into law in the shape in which they desire it.

Mr. SPENCE (Darling).—I propose to reply to only one or two of the remarks of the honorable and learned member for Wannon. The honorable and learned member has spoken in a manner condemnatory of the free-trade doctrines in which he believes. He has stated that the farmers, having to compete with the rest of the world, are not in a position to be assisted in the same way as those who are engaged in industries which derive advantage from protective duties, and that, therefore, special consideration should be shown to them in regard to labour conditions. If the honorable and learned member's contention is to be followed out to its logical conclusion, there must be something wrong with the doctrine of free competition. He says that the conditions of the farming industry are entirely different from those which obtain in other cases. The wool-grower is in very much the same position as the farmer, in consequence of his having to compete in the world's markets. Yet, we hear no suggestion that it is wrong to apply a measure of this kind to the pastoral industry. Objections are raised to every attempt made to improve the position of the working man, upon grounds very similar to those urged by the honorable and learned member for Wannon. The honorable and learned member stated that the farmers did not want the Bill. Those who are treating their employés fairly would have nothing to fear if they were called upon to submit their case to the judgment of the Court. On the other hand, those who are treating their employés unfairly—as a number of them are—would naturally object to any such proceeding. Do honorable members approve of the unfair treatment of employés? Do they believe that there should be no uplifting of the farm servants—that their lot should not be improved? There is no reason why the individual who works for a farmer should be treated differently from one who is employed by any other class.

Mr. HENRY WILLIS.—Is the farm labourer in a bad way?

Mr. SPENCE.—Undoubtedly. Every man who does not belong to an organization is in a bad position.

Mr. HENRY WILLIS.—His position is not upon all-fours with that of the shearer.

Mr. SPENCE.—The farmer has to face the competition of the world in the matter of the sale of his produce. He occupies exactly the same position as does the wool-grower, and he has no more right to special consideration. If he treats his workmen fairly he need not fear the intervention of the Arbitration Court, and, if he does not, it is our duty to insist that he shall. The whole essence of the argument advanced by the honorable and learned member for Wannon is that any industry which has to live by paying those who are engaged in it unduly low wages, and by working them extremely long hours, should be permitted to do so. I claim that we should abolish sweating in all its forms. If an industry does not permit of reasonable wages being paid to those who are connected with it, it should be wiped out of existence. I deny absolutely that the farming industry comes within that category. I believe that farming can be made to pay, and that it does pay a large number of employers, who extend reasonable conditions to their unionist workmen. The honorable and learned member for Wannon is under a misapprehension in regard to what occurred in connexion with the so-called shearers' strike. Technically that occurrence was not a "strike." It is true that the shearers refused to work, and that they formed themselves into a camp, but it is not correct to say that the Arbitration Court could not have dealt with that dispute. The New South Wales Arbitration Act contains a provision under which the Court could have compelled both parties to that dispute to appear before it. The fact is that although

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affidavits were lodged by a gentleman in Sydney with the Registrar of the Court, that official did not move in the matter.

Mr. SKENE.—How long would he have been occupied in doing so?

Mr. SPENCE.—He need not have been occupied more than a day. It was perfectly competent for him to move in the matter. But the point to which I desire to direct attention is that clauses 7 and 8 of this Bill would prevent a similar state of things from occurring. Those provisions were inserted at the request of the Pastoralists' Union for the express purpose of covering such cases. Assuming that the statement of the honorable and learned member for Wannon is correct, this Bill differs from the New South Wales Act in that respect.

Mr. ROBINSON.—Mr. Wise said that the refusal of the men to work could not be prevented under the Arbitration Act, and that it was a very good thing that it could not.

Mr. SPENCE.—It could have been prevented, because both parties to the dispute were registered collectively, and the Registrar could have moved to bring them before the Court. The honorable and learned member declared that the farmers did not wish this Bill to be extended to agricultural labourers. That goes without saying. He also said that no petition has been presented from the farm employés asking that they may be brought under the operation of the Bill. But I would ask what value the honorable and learned member would attach to such a petition, even if it were ten miles long? Those who entertain views similar to his own would not be influenced by evidence of that character. That fact is clearly established by their refusal to pay any heed to the representations of those who are voicing the opinions of organizations which number many thousands of workers. It is the veriest nonsense to urge that no petition has been presented from the farm labourers. If it be right to declare that strikes shall be illegal, and to deprive organized labour of some of the privileges which it at present possesses, we should at least provide it with some means of settling industrial disputes. No sound argument can be adduced in favour of excluding any set of individuals from the operation of the Bill. The fact that they may not be organized to-day should not prevent them from appearing before the Court if they subsequently become organized. Some honorable members take up a very illogical position. In effect, they declare that it shall be a crime for workmen engaged in one occupation to go upon strike, but that if those workmen are employed in another avocation they shall be at liberty to do so. As is well known, most of our farm labourers engage in shearing pursuits during the wool season. In that capacity some honorable members suggest that they shall not be allowed to strike, although they may do so when they are in the employ of the farmers. They are to be allowed to cease work in the midst of harvest operations when the grain is, perhaps, falling out of the ears, and when it is imperative that the crop should be reaped. That is the idea of justice which is entertained by the honorable and learned member for Wannon.

Mr. ROBINSON.—If I had my way, I should exempt everybody from the operation of this Bill.

Mr. SPENCE.—The honorable member might just as reasonably argue that a man should be adjudged guilty of robbery only when he gains entrance to a dwelling by forcing a window. I repeat that in many cases, the same individuals are employed during the year by both farmers and graziers. I have seen the operations of the farmer suspended by reason of the action of a body of men who were not organized. Of course the honorable and learned member for Wannon, and the honorable member for Robertson, believe that they have a perfect right to take advantage of the markets. What astonishes me is that they refuse to apply their declared principles all round. They urge that it is right to take advantage of the farmer, but utterly wrong to adopt a similar course in the case of the grazier.

Mr. HENRY WILLIS.—We do not wish to take advantage of anybody.

Mr. ROBINSON.—I am in favour of exempting everybody from the operation of this Bill.

Mr. SPENCE.—The honorable member will not vote for its rejection. The Prime Minister has his supporters so much under the whip that they dare not reject it. How many of them will oppose its final stage? Will the honorable and learned member for Wannon do so?

Mr. ROBINSON.—Will the honorable member himself guarantee to do it?

Mr. SPENCE.—It is quite possible that I shall oppose it. Certainly I am not satisfied with the measure in its present form. It has been asserted that the farm labourers of Australia are not organized, because they have no grievances. That is another statement which is founded upon lack of experience. The fact is, that it is more difficult to organize a body of men who are scattered over the community than one whose members are grouped together. It is not correct to declare that agricultural labourers have no grievances. In this connexion, I wish to read a letter from a workman whose attention was recently called to an article which appeared in the *Argus*. It reads thus—

Dear Sir,

In re the leading article of *Argus*, 7th of June. The man who wrote it has never worked for a farmer, or cockie, as he is universally called; I have. The Victorian cockie is the greatest menace the working man has at present. He, the former, stays at home, when work is scarce on the stations; ploughing, &c., and employing none if he can avoid it. When the shearing comes on he secures as many stands in a shed as he can, or goes out with his waggon and horses and takes wool carting from the man who makes or tries to make a living with his team. He secures the carting by taking a lower price per ton. During shearing the cockies have the most to say about the hours, the price of shearing, wet sheep, and finding fault with the owner of the sheep for wanting his sheep shorn well. I have shorn with them, so I know what I am saying. They profess to belong to the Australian Workers' Union when working.

Go to work for them, and the whole order of things is reversed—long hours, sixty or seventy hours and over a week for twenty-five shillings, and wet days stopped if they can, unless you work in the rain.

I ask honorable members to note that point—

In this district—

He writes from Inverleigh—

this year some of them refused to take the threshers in and feed them on Sunday, and if it were not for a few honest, kindly men they could starve, and every one knows farmers have to feed the threshers. What about their hours? Sixpence an hour means fourteen hours a day to make seven shillings. I wonder how some of the men who have the most to say would like that. Unless the thresher provides his own sleeping accommodation he can sleep out in the wet if it rains, and no consumptive patients have to do that. It is not compulsory to work such long hours during harvest. Two farmers in Winchelsea district, who cultivate nearly 1,000 acres between them, only worked nine hours a day all the harvesting, and they got their crops off and stacked as quickly as those who worked from daylight till dark. They also paid better wages than most of their neighbours, so if they can do it others can.

He then goes on to say that farmers who cannot make a living off their land without competing with those following other avocations, should not be allowed to hold it. He points out that the wages paid in the Werribee district are 20s. per week, and mentions that he is prepared to give the names of the farmers who refused to allow threshing machines to go on their farms on a Sunday, as well as the names of the two who worked their men only nine hours a day. I have known farmers to refuse to take a thresher on a Saturday afternoon, and have seen the men following the machine compelled to camp on the road-side without tents, and left to obtain their food as best they could until the following Monday morning. I do not say that this is the general practice, but the cases referred to by the writer illustrate what many of these men have to put up with. When honorable members say that farm labourers receive 20s. per week, they disregard the fact that on wet days they are unable to work, and that the average earnings are thus reduced. The letter that I have read was written by a shearer and farm labourer, on whom I can rely, and he expresses the views of farm labourers generally. As President of the Australian Workers' Union, I am able to say that cockatoo farmers from one district in New South Wales, and from certain parts of Victoria, have been principally responsible for the cut-throat competition which has taken place in certain callings. As the writer says, they take work as wool carters, and in other directions, at very low rates, and then, in the busy season, return to their holdings. When they become employers, they almost invariably prove to be of the very worst kind. I am not satisfied with the Bill as it stands, but I do not think that any lengthy debate is likely to cause honorable members to change their minds.

Mr. CROUCH.—What are the wages at Winchelsea?

Mr. SPENCE.—My correspondent wrote from Inverleigh, where he says the wage paid to farm hands is 25s. a week.

Mr. SKENE.—Inverleigh is not a great farming district.

Mr. SPENCE.—That is so; but my correspondent travels for the most part in the western district of Victoria, and is familiar with the conditions of labour prevailing there. I have abundant evidence of the rates of wages paid in these industries, and am convinced that the accommodation allotted to the men is in many cases very

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bad. Many of those engaged in the farming and dairying industry are harshly treated by their employers, and my contention is that we have no right to exempt any class from the operation of this Bill. If we extend its provisions to those engaged in farming and agricultural pursuits, we shall check the unfair tactics of the worst kind of employers. Such men will recognise that if they resort to extreme measures the workers will go to the Court for redress, and they will, therefore, be careful not to cut wages down too low. By leaving the door of the Court open to those engaged in these industries, we shall safeguard the interests of the farmers and their employés. If they do not take action to bring themselves under the Act no harm will be done. On ethical grounds, we have no right to make any exemptions. I take the same view with regard to those engaged in domestic service.

Mr. HIGGINS.—We do not desire any class legislation.

Mr. SPENCE.—Certainly not. The advocates of such legislation are to be found on the other side. The Opposition desire that every employer and employé shall be placed on a fair footing.

Mr. JOHNSON.—Is not preference to unionists class legislation?

Mr. SPENCE.—The honorable member is prepared to vote for such legislation. He will vote for the Bill, although he does not believe in the restrictions that it imposes. On the broad ground that no class should be excluded, I think we ought to accept the amendments made by another place. I should like to point out that there is one phase of the question relating to domestic servants which has been overlooked. As the result of the adoption of adult suffrage, the work of organizing the women of Australia is being vigorously prosecuted. From time to time we read of honorable members addressing women's leagues, and only on Saturday last the honorable member for Wentworth was educating the ladies of Waverley as to the way in which to do the right thing, politically. As the result of the organization that is taking place, many women are obtaining a clearer insight into the conditions of life of their less fortunate sisters. They are discovering the existence of evils, of which they previously had no knowledge, and it is only natural that they will be anxious to provide a remedy. When a woman learns that one of her sex is being sweated, she naturally becomes indignant, and urges that action should be taken to remedy such a state of affairs. And what will the women say when they find that the Conciliation and Arbitration Court is closed to domestic servants? The only reason given for the opposition to the proposal to extend the Bill to them is that the employers have not asked for anything of the kind. That is quite sufficient for the honorable and learned member for Wannon, and a few others. If a million employés asked to be brought under the Bill, they would think that the matter was of no consequence, but when a request is made by employers to be excluded from the measure, the position is different. It takes a long time to convince some honorable members that justice does not relate solely to those engaged in a particular occupation, but applies to all persons, irrespective of their social conditions. All chivalrous persons recognise that those most in need of assistance are not the rich and the wealthy, but the poor and the sweated. But honorable members opposite would have such persons organize and fight for themselves. If we have any sympathy for the poor and the sweated, we ought to do something to better their condition. An unfair attempt has been made to saddle the Watson Government with the responsibility for suggesting a certain compromise in regard to the question of preference. Honorable members know very well that the position taken up by the Watson Government and their supporters was that the question of the terms on which preference should be granted should be left to the Court itself. When amendments were proposed by those who desired to limit the power of the Court it was necessary to arrive at some compromise, but it is certainly untrue that the Watson Government asked that the granting of preference to unionists should be compulsory. They simply urged the Committee to decide that the Court should have unrestricted power to grant or refuse preference. They desired to secure the passing of a measure which, judging from the opinions expressed by honorable members, had the support of a majority of the House, All Governments have given way more or less—sometimes because they have been forced to bend to the will of the majority, and in other cases because the arguments used have shown the concession to be reasonable. I am opposed to having any limit. So far as the second portion of the clause is concerned, I am in favour of the Senate's amendment. Unless a majority

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of honorable members is determined to make the Bill unworkable, I think that the amendment of the Senate in regard to preference will be carried. When the political labour movement started after the maritime struggle, we were told by our opponents that we should give up the barbarous method of striking, and appeal to the ballot boxes. For many years I did as much as I could to educate the people on this matter. For four years in succession, in connexion with the work of an organization, I addressed meetings in nearly every country town in South Australia, Victoria, and New South Wales. My aim was to educate the people to depend less upon the old union methods than upon social and political reform. I tried to teach them to exercise the political power which they possessed under the Constitution, by showing them that, being in a majority, they could control the Parliament if they wished to do so. I stumped every big town in eight electorates in New South Wales, just prior to the election of 1891, organizing leagues, and preaching these doctrines. The leagues thus organized were quite apart from trade unions. What was the result? When annual conferences were held, with a view to determining upon and setting forth definite political planks, we sometimes found that extremists and faddists came forward as the representatives of leagues. In one instance, three men formed a league, and sent a delegate. In this way the platform was influenced by men who were not chosen by the workers, and who did not represent their views. In England, America, and elsewhere, the solid movement of trade unions is due to what Lord Rosebery has called the "hard-headed" trade unionists—to the aristocracy of labour. Men who obtain and hold positions in connexion with trade unions must be moderate and level-headed. The trade union movement does not tolerate extremists. It was found, therefore, that if we wished to influence public opinion, we must put forward a propaganda which would secure public support, and eventually the trade unions became political organizations, sending representatives to a conference. Since that time, the best work, speaking not from the point of view of a particular class, but of the community at large, has been done by trade unions. The influence of the wilder natures has been repressed. Those who work for their bread and butter are those who are represented in the trade unions. Gradually the unions began to take a part in politics. They have always confined themselves to questions of public interest and social reform, so that our platform has not been challenged, even by our bitterest enemies, and, at last, in each of the Parliaments, a large body has been returned to support its planks. This movement, which began in the old country, is now to be brought to an end, if some honorable members are to have their way. They do not understand its genius, or they have listened to misrepresentations. The trade unions are now being asked to give up all that they have been working for. Their right to try to secure reforms by peaceful and constitutional methods is to be taken away, and an endeavour is being made to hamper and coerce them by law. Some of those who declaim most loudly against coercion are, in this instance, wishful to apply it. The labour organizations have to give up more under the Bill than the employers are asked to give up. The employers are practically not asked to give up anything. They are only required to run their industries on lines which, in the opinion of an unbiased Court, are lines of justice. The labour organizations could adopt what methods they liked. Now they cannot do so. They could admit or refuse admission to candidates, and expel members at their own will. Individual workmen had the right to work for any wages they chose to accept. Now, all that is to cease. The conditions of industry are to be regulated by the Court. The unions are even to be prevented from using their best weapon against repression, by being deprived of the right to strike. They are also to be denied the right to take part in politics, and to exercise the political liberties which other bodies of men may exercise. Notwithstanding the keen criticism to which the administration of the New South Wales Act has been submitted, no complaint has been heard there of the action of the Court in giving preference to unions having political purposes. In any number of cases preference has been agreed to by employers, and the agreements have been registered by the Court. In America and England many of the unions have succeeded in obtaining preference for unionists, and in enforcing their rule that unionists shall not work with non-unionists, thus compelling men to become unionists in order to obtain a job. The Prime Minister is always praising unions, but although he speaks in favour of unionism, he works to crush it. He has stated that every work-

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ing man should be a member of a union, but at the same time he is against provisions which would induce men to become members of unions. When legislation of this kind was first introduced into the New South Wales Parliament, he was directly opposed to it, and "stone-walled" it all night. Since then he has progressed sufficiently to admit that there is some good in it; but while he declares that he wishes to give encouragement to unionism, he has asked the Committee to vote for provisions which will destroy it. The Hon. B. R. Wise, who has given this subject a great deal of study, and whose opinions are worthy of consideration, has shown—as it has been shown by the decisions of the Supreme Court of New Zealand—that the Act is based upon organization, and that preference to unionists is necessary in order to carry out its provisions. He goes so far as to say that when an organization applies for preference, its application should be granted, even if its members are a minority of those engaged in the trade, and he is of opinion that preference to unionists should be made compulsory in the interests of the proper administration of the Act and the peaceful prosecution of industries. I think that he is quite right. We, however, do not ask for so much as that. All we ask for is that the Court may be allowed to deal with applications for preference according to the evidence before it. No application for preference has been objected to in the New South Wales Court on the ground that the organization applying has taken political action. Why should not organizations do as they please in this matter? Are we going to determine how the organizations of employers shall spend their money, making it punishable for them to spend it for any other purposes than those declared by our legislation? Do we tell any other body of men what they shall do with their funds? I contend that it is unjust to prohibit the members of the unions from using their money for political purposes if they so desire. It is practically denying them an opportunity to continue the most useful work they have been able to perform. It is regrettable that the interests of thousands of unionists should have been ignored, and that an attempt should have been made to use the Bill as a weapon to strike a blow at the Labour Party. We have been told that the members of the Labour Party are opposed to any restrictions being placed upon the unions because they fear that they will lose their political influence, but I would point out that the work performed by the unions is carried on, apart from any interference by Members of Parliament. It is not fair to tax the Labour Party with making use of the unions for political purposes. Honorable members are attacking the unions because they believe that, by so doing, they will be able to retard the labour movement. They are, however, greatly mistaken.

Mr. KENNEDY.—The honorable member's union attempted to bring coercion to bear, in a political sense, upon the men engaged in the pastoral industry.

Mr. SPENCE.—The union of which I have been president for many years does not permit Members of Parliament to be associated with the executive, or to be connected with the board of directors of the *Worker*, the special journal of the organization. A special exception was made in my case, because I was an officer when elected to Parliament, and before the present rule was brought into operation. All the talk indulged in with regard to the personal influence of labour members upon the unions has no foundation in fact. The unions are careful to do their own business in their own way, to exercise full control over their own money, and, so far as the selection rests with them, to select the candidates whom they think the best. The political labour leagues exercise the real political power. It is absolutely unwarrantable to make use of a measure of this kind to strike a blow at the Labour Party. The unions have a perfect right to take part in any political movements relating to matters which concern the trades in which their members are engaged. There are scores of matters affecting the health and conditions of labour of their members regarding which the unions have a perfect right to appeal to Parliament. I shall not be satisfied with the Bill unless the amendments suggested by the Senate are included. I am sorry that the Government are attempting to restore the clause relating to preference. to the shape in which it left this House. The proviso added at the instance of the Minister of Defence was adopted practically without discussion, and at least one honorable member voted under a misapprehension in regard to it. It is true that the subject of preference was discussed, but not the particular form of the proviso adopted. I am surprised at the attitude of the Government upon this subject.

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The leader of the Opposition suggested an amendment which would have met the ideas of honorable members if they had been anxious to render the Bill effective. But apparently their aim is to make it unworkable. The statement recently made in the *Argus* that there were no labour grievances to be remedied at the present time was entirely unfounded. It is true that, so far as the Australian Workers' Union is concerned, an arrangement has been entered into with the employers in Victoria. The pastoralists of New South Wales, however, absolutely refuse to meet the representatives of the employés, and no settlement of a satisfactory character can be arrived at until the present condition of affairs has been radically changed. At the same time, it would be impossible for the Australian Workers' Union to prove that, in any application for preference, they had the approval of the majority of those who would be affected by the award. We may fairly assume from the attitude adopted by the Government that they do not desire to pass a workable measure. If they wished it to become effective they would surely pay some regard to the opinions of the officers of the unions, who have had the widest practical experience, and who are the best judges as to the probable effects of the provisions contained in the Bill. The executive of the Australian Workers' Union, which is constituted not of Members of Parliament, but of clear-headed men of great experience, declares that it would be impossible to comply with the terms of the proviso which the Government desire to restore to the Bill. The Trades and Labour Council in Sydney take up a similar position. I trust that honorable members will at least make an effort to put the Bill into a workable shape. This is the only Parliament that has attempted to deal with an Arbitration Bill in the manner now proposed by the Government. The New South Wales and New Zealand Acts have not caused any trouble. The Supreme Court of New Zealand has declared that in some cases preference is essential in order to carry out the purposes of the Act. We might very safely leave the whole question to the Arbitration Court. In regard to the provision which is intended to apply to unions having political rules, I would urge upon honorable members that it would be unjust to upset the whole of the present organizations, and to place the trades unions at a special disadvantage. I have previously replied to the statements of the employers' organizations to the effect that the working of the Arbitration Acts in New South Wales and elsewhere has proved discouraging to investors. I quoted figures from the *Investors' Review* to show that the position in 1903 was very satisfactory, and that dividends averaging 5 per cent. had been returned upon the investments in the States affected by the working of arbitration legislation. No complaint has been made regarding the operation of the preference provisions either in New South Wales or New Zealand. Where, then, is the justification for the extreme attitude which the Government are adopting, unless it be that they are determined to use this provision as a weapon with which to crush the trade union movement, and to prevent their own party from being defeated whenever there is an appeal to the country? If they desire to make the Bill workable, they will accept the amendments which have been made by the Senate.

Mr. Spence.

Mr. SKENE (Grampians).—The honorable member for Darling has taken credit to himself for being a very capable organizer, and I am quite willing to admit that he is. I would remind him, however, that upon one occasion, at least, he overshot the mark. I have a vivid recollection that some years ago he was instrumental in bringing about an arrangement to which a great many of the pastoralists subscribed. What happened? When shearing operations were in full swing, all the unionists were called out of the sheds.

Mr. SPENCE.—Our union had nothing whatever to do with that matter, and I, personally, opposed it.

Mr. SKENE.—The honorable member knows perfectly well that my statement is correct.

Mr. SPENCE.—But the Shearers' Union cannot be held responsible for that trouble.

Mr. SKENE.—Then, who was responsible? I understand that the only section of the Shearers' Union which did not approve of the action taken upon that occasion was the South Australian section.

Mr. SPENCE.—The Shearers' Union was never consulted in the matter.

Mr. SKENE.—The honorable member will admit that, after having practically secured a victory, the union turned upon the very men who had agreed to its terms, by calling out the shearers.

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Mr. SPENCE.—That is not a fact. We were never consulted.

Mr. SKENE.—As a matter of fact, the employers of unionist shearers throughout the length and breadth of the land were compelled to suffer, because the latter were called out of the shearing-sheds.

Mr. SPENCE.—They were called out, it is true.

Mr. SKENE.—As the honorable member is aware, the result of that action was to retard the progress of unionism for several years. I hold that a similar position has been created in connexion with this Bill. We are now afforded an opportunity to settle this question upon fair and reasonable lines, but I fear that the action of those who wish to proceed to extremes will prevent us from accomplishing that object. The leader of the Opposition is practically in accord with the amendment which was carried at the instance of the honorable and learned member for Corinella.

Mr. POYNTON.—Then, why did he sacrifice his Government upon that question?

Mr. SKENE.—As a matter of fact, he sacrificed his Government by committing himself outside of the House further than he need have done. The difference between the proposal of the present Minister of Defence and that of the honorable member for Bland, is simply as to how far the Bill ought to go in directing the Court with regard to the granting of a preference to unionists. In its present form the measure does not instruct the President of the Court to ascertain whether a majority of those who are engaged in any particular industry approve of the granting of such a preference. The leader of the Opposition desires that the Court shall be allowed discretion to determine that a substantial number of those who will be affected by its award are in favour of the extension of a preference to unionists. To my mind, the difference between the two positions is a very small one.

Mr. HUTCHISON.—Those who think with the honorable member affirm that it is possible to establish the fact that a majority are in favour of a preference. We say that it is not.

Mr. SKENE.—I understand that the leader of the Opposition desires that the President of the Court shall be satisfied in his own mind that a majority approve of the granting of a preference.

Mr. HIGGINS.—Is the honorable member willing to put the burden of proof upon the objectors to a preference?

Mr. SKENE.—I do not understand that any absolute proof is required. My idea is that the Bill merely directs that the Judge shall be satisfied in his own mind that a majority of those engaged in any industry approve of the granting of a preference.

Mr. WEBSTER.—Upon what would his opinion be based?

The CHAIRMAN.—I think that the discussion is becoming more of a detailed than of a general character.

Mr. SKENE.—I repeat that the difference between the two positions is a very small one indeed.

Mr. HIGGINS.—If the line be so small, why not come over it?

Mr. SKENE.—The line is small, inasmuch as the leader of the Opposition admits that before any preference is extended to unionists, a majority should be in favour of it. But when we are asked to lay it down that the Court may grant a preference if it be satisfied that the applicants "substantially represent" the trade concerned, the divergence between us becomes greater. We desire to direct the Judge that he shall have satisfied himself by all reasonable means that the probabilities are that a majority desire preference. Absolute proof is not asked for. The honorable member for Darling has acknowledged that it is within the power of farm labourers at a particular period of the year—when the crops require to be harvested—to go upon strike, and to cause their employers great loss. All these things exercise a deterrent effect upon the expansion of the farming industry.

Mr. SPENCE.—Then why not put an end to them?

Mr. SKENE.—Any cessation of work at the harvesting period is necessarily fatal to the crop. The farmer has to look twelve months ahead. Under this Bill he will be compelled to incur the risk of his employés going upon strike, and of his dispute with them being referred to the Arbitration Court.

Mr. POYNTON.—How does the honorable member account for the fact that in New South Wales crops are put in under similar conditions?

Mr. SKENE.—I know that in Victoria we have had to curtail the area under cultivation, so as to be absolutely assured that we should be able to handle the crops. I maintain that if we make the Bill applicable to farm labourers, we shall seriously embarrass them. I would further

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point out that labour troubles always result in the perfecting of machinery. In my own district every farmer—despite the fact that the farms are fully stocked with implements of the older type, the use of which involves the employment of a greater measure of labour—is now purchasing the latest labour-saving appliances.

Mr. POYNTON.—It is all a question of pounds, shillings, and pence.

Mr. SKENE.—In one sense it is, but in another it is not. Take the case of a farm which is well supplied with strippers,. If its owner can secure the services of men to undertake the winnowing of the crop, he is satisfied to continue to use strippers. Only last year I purchased two harvesters, because I could not depend upon the men to do the minor part of the work. The following paragraph, which appears in this morning's issue of the *Argus*, is an illustration of what is occurring throughout the wheat-growing districts. It is written from Minyip, a district in my own electorate, and it sets forth that—

. A large number of harvest hands have already arrived in this district, but, owing to many farmers using harvesters this year, there will not be much work for them to do.

Mr. POYNTON.—Does the honorable member mean to say that that condition of affairs is the result of the proposal to pass a Commonwealth Conciliation and Arbitration Bill?

Mr. SKENE.—I hold that anything that creates a feeling of uneasiness in the minds of employers in industries of this kind is harmful to the labouring classes.

Mr. POYNTON.—It must be good for Mr. McKay.

Mr. SKENE.—It is an excellent thing for him. No doubt the use of labour-saving machinery is a great advantage to a country; but, at the same time, it inflicts hardship on those who, as the result of it, have to pass from one line of employment to another.

Mr. POYNTON.—Is it not a fact that the harvester has come into general use chiefly because of the fact that it can be worked in damp weather?

Mr. KENNEDY.—Strippers work in damp weather.

Mr. SKENE.—There are damp-weather strippers. Harvesters are being brought into general use because farmers are not prepared to run the risk of having trouble with their employés.

Mr. SPENCE.—Employers in all industries are prepared to avail themselves of labour-saving machinery.

Mr. SKENE.—No doubt. I do not argue against the advantage which a country derives from the use of such machinery. But it is not to the interests of those who have to step from one line of employment to another, because of the introduction of these appliances, to create difficulties that may encourage their manufacture.

Mr. SPENCE.—That is why we desire to create a Court that will be able to peacefully settle all disputes.

Mr. SKENE.—But it would not be able to promptly settle a dispute relating to the agricultural industry. If a man had a ripe crop, ready for the stripper, he could not afford to wait for the Court to deal with any labour difficulty affecting his harvest hands.

Mr. POYNTON.—There is no arbitration law in America; and yet in the manufacture of machinery that country is far ahead of any other.

Mr. SKENE.—I do not think that their machinery is as good as is ours. They are actually copying Victorian-made harvesters at the present time.

Mr. SPENCE.—The farmers would not have to wait for the decision of the Court until the harvest was over.

Mr. SKENE.—The fear of such a contingency would be just as harmful as an actual strike would be. I am speaking of something of which I know. I have had experience of farm labour, and have no fault to find with those whom I have employed. The honorable member for Darling, as a representative of the Shearers' Union, has not always been in agreement with me with reference to labour questions, but personally we have had no real difficulty.

Mr. SPENCE.—The honorable member is one of the fair employers.

Mr. SKENE.—I have only observed what is the practice of a number of farmers and graziers. I wish now to refer to the letter read by the honorable member for Darling, and written by a shearer who has a down on "cockies." According to the honorable member's own showing, this man is a professional shearer, and has no land of his own to fall back upon, when the shearing season is over.

Mr. SPENCE.—I am not sure of that; he may have some land.

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Mr. SKENE.—A good shearer can always obtain employment, whether he is the son of a farmer, or not. There is no man for whom an owner of stock has a greater regard than he has for a thoroughly good shearer. The honorable member for Grey is aware that a capable shearer will always be received with open arms by his former employer.

Mr. HUTCHISON.—In the eastern district of South Australia—one of the wealthiest in the State—the wages have been reduced to a greater extent than anywhere else.

Mr. SKENE.—I am aware of that. I have not the slightest objection to the union which has been instrumental in raising the wages of shearers; but I decidedly object to the unfair treatment to which pastoralists are sometimes subjected when unionists, whom they have engaged, are called out, and shearing operations have to be suddenly suspended. The honorable member for Darling said that the rate of wages paid to harvesters was 25s. per week, and that as the men could not work on wet days, the average was reduced. I do not know of any harvesters who are asked to work for such a wage.

Mr. HUTCHISON.—In some parts of South Australia, they are paying only 15s. per week to farm labourers.

Mr. SKENE.—If the honorable member would send those men to the Wimmera district, they would have no difficulty, if they are good men, in obtaining employment as harvesters at 30s. per week. I am surprised to hear that in the Werribee district 20s. per week is considered a fair wage to pay farm labourers at harvest time. On my own property, as well as on other estates, the farm hands who are regularly employed at a wage of £1 per week and found, are granted an increase at harvest time. In common with the additional hands taken on, they receive 30s. per week during that period, and I may say that that is the rule throughout the district. Any one who is prepared to work can obtain employment at 30s. per week during the harvesting season.

Mr. SPENCE.—The unfair employer gives low wages and makes his men work long hours.

Mr. SKENE.—I can only repeat that the man who is prepared to do a fair day's work can command a fair day's wage at harvest time. Honorable members opposite ought to be very well satisfied with the success they have achieved, and I hold that they will not do justice to themselves, or to those whom they represent, if they do not assist to pass the Bill in the form proposed by the Government.

Mr. HIGGINS (Northern Melbourne).—I have listened to the speech delivered by the honorable member for Darling, and, long though it was, I think it deserved the attention of a larger audience.

Mr. MAUGER.—We all are tired.

Mr. HIGGINS.—If the honorable member had been present, he would have felt that the enthusiasm evinced by the honorable member for Darling was backed up by knowledge, and that his zeal was controlled by large experience. I do not think that we are qualified to understand the problems which we have to face in this Bill unless we come in contact with such concrete difficulties as those to which the honorable member has referred. The Prime Minister professes great anxiety for this Bill, and in his solicitude for it refuses to accept all the amendments made by another place, except one which is trifling and useless. I desire some better evidence of his anxiety for the Bill. When I find the Prime Minister determined to waive his prejudices, and to ask his followers to meet the Senate by some fair acceptance of its proposals, I shall feel that he may perhaps be regarded as an enthusiastic supporter of the principle of conciliation and arbitration, although we all know that when he was a member of the Legislature of New South Wales he opposed the passing of a State measure.

Mr. CAMERON.—Does the honorable and learned member wish us to stultify ourselves?

Mr. HIGGINS.—I do not wish the honorable member to do so—it would not be possible for him to do so. It has been said, with regard to the first two amendments, that we are seeking to extend the Bill to agricultural labourers and domestic servants. That is a mistake. Honorable members of the Opposition have never attempted to include agricultural labourers or domestic servants. The true position is that we have declined to exclude them. From the outset we have said that we see no sufficient reason for excluding any class or denomination of employers or employés. That is a very material distinction. We are not anxious for class legislation; we desire to avoid anything of the kind. If a measure of this kind be good for one class, it must be good for another. For my own part, I

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think that honorable members opposite, in strenuously fighting against the inclusion of domestic servants, show a singular want of humour. If we could picture all the domestic servants in two or more States shouldering their brooms and declaring a strike, we might treat this proposal as being of some importance. But there are some honorable members who apparently are unable to convince the ladies of the fashionable suburbs of the wickedness of the Labour Party, except by seeking to show that they wish to interfere with the conditions of domestic service. I hope that we shall fight squarely, and that we shall not endeavour to frighten the people in this way. I do not believe in class legislation, nor in excepting from Factories Acts, and Arbitration Acts, persons to whom they might possibly apply at some remote period. May I say, with all respect, that there are some honorable members, like the honorable member for Moira, who are invariably making exceptions in favour of farmers, by way of class legislation. I believe that if the honorable member had been at the making of the ten commandments, he would have moved, on the fourth commandment, "Six days shalt thou labour"—the first Factory Act in existence—being reached, for an exception in favour of farm labourers and farmers, upon the ground that cows have to be milked and fed on Sundays.

Mr. KENNEDY.—I am also a believer in the eleventh commandment.

Mr. HIGGINS.—I am pleased to hear that the honorable member has added another commandment to the ten, and I trust that he will obey it, just as he is prepared to observe the others. The reason that we have opposed the exclusion of these classes is, that there is no such exclusion in the Conciliation and Arbitration Acts of New South Wales, Western Australia, and New Zealand.

Mr. McCAY.—Domestic servants are excluded.

Mr. HIGGINS.—I am referring for the moment to farm labourers. They are not excluded from the operation of the States Acts which I have mentioned, and yet no harm has happened. I do not think that it would be possible to bring the domestic servants within the limits of any one State —to say nothing of those within two or more States—under the operation of such a measure. With regard to these two matters, I think that the objection of honorable members opposite is simply frivolous. It is useless to make an exception. We might as well follow the States Arbitration Acts in this respect, and get on with business.

Sir JOHN FORREST.—Let it go.

Mr. HIGGINS.—No. When I am asked to vote for class legislation, I reply that I shall not do so. When the Labour Government was in power, we found that the Bill as introduced by the Deakin Government, made a weak concession in the direction of exempting domestic servants; but we did not think it worth while to strike out the exemption in question. As soon, however, as we were asked to face the principle, and to say, "Shall there be an exception of any class," we replied that no exception should be made. Efforts to extend the advantages of the Bill to domestic servants are likely to be futile, and the weakness of the position arises from the action of the Deakin Government in endeavouring to exempt them. I come now to the important part of the Bill. If there is one thing of which I have been convinced by looking into this question of arbitration, it is that preference to unionists and the unrestricted application of funds are two matters which are vital to the Bill.

Sir JOHN FORREST.—Is not preference to unionists class legislation?

Mr. HIGGINS.—No. When every man has full liberty to join a union if he chooses to do so, it cannot be called class legislation. There is no class legislation when you provide that, no matter to what class persons may belong, if they be employers or employés, they may come under the Bill. I regard the two matters which I have mentioned as vital, and if they are not to some extent provided for, I would rather see Parliament adopt the suggestion of the foolish circular from the Employers' Union—I mean foolish in respect to arguments—and drop the Bill, than pass it as it stands. The amendment which was carried on the motion of the honorable and learned member for Corinella has been admitted by those who supported it to be imperfect, defective, and one which will lead to legal difficulties. Although the honorable and learned member for Ballarat took the responsibility of voting for it, he has admitted that it will lead to difficulty in the interpretation. I had pointed out that it would impose such difficulties on the Court, and in dealing with my argument, he said, "I admit that

it does." The provision is badly drafted, and one which, if taken to pieces by a sensible man, will be seen to be incapable of achieving its object, and likely to do harm both from our point of view and from the point of view of our opponents. It is also unworkable. This has been admitted by the honorable member for Moira, whose experience and honesty we value. He has said—

It would appear to be open to objection, inasmuch as it would make it necessary to secure the opinion of the majority of the workers in any particular industry. In the earlier clauses of the Bill we have laid it down that 100 members may constitute an organization having a right to submit a proposal to the Court. If people are compelled to go beyond that to find out the absolute number of workers in any particular industry, that they may be able to prove to the Court that they have a majority of those employed in the industry behind them, their task would appear to me to be an almost impossible one.

Would the honorable member have the same objection to the proviso if the burden of proving that there was not a majority were thrown on those who objected to the preference being given? It is one thing to say that those who apply for preference should have to prove that they represent a majority——

Mr. SKENE.—Are they asked to prove it absolutely?

Mr. HIGGINS.—I take it that they are asked to prove it absolutely to the satisfaction of the Judge. It would be a different thing if those who objected to the giving of a preference had to show that the applicants for it did not represent a majority.

Mr. WILSON.—Surely the burden of proof should be on those asking for the favour?

Mr. HIGGINS.—From the point of view of the honorable member, yes; but from the point of view of the Court, no. Knowing, as I do, how men who belong to unions are spotted by certain employers, and prevented from getting work, I regard it as essential that they shall not feel that they are marked men, and liable to lose their employment for appealing to the Court.

Mr. SKENE.—Is it not usual to put the onus of proof on the plaintiff?

Mr. HIGGINS.—The union asking for preference is not a plaintiff. There are hosts of cases, moreover, in which the plaintiff has not the burden of proof. If the proviso is persisted in, it will be persisted in by men who admit that it will produce difficulties of interpretation, and will be unworkable from the point of view of the unionists. With regard to clause 55, I think that it would be well if, before accepting the proviso of the Senate, we defined political matters. We ought not to prevent a union from publishing literature to send to Parliament to induce members to vote for legislation in the direction of improved sanitation, better wages, shorter hours of labour, and so on. But as the clause has been sent to us from the Senate, it would be illegal for a union to use a penny of its funds for the distribution of such literature. Honorable members on both sides who have any sympathy with the humanitarian legislation of recent days will help to have that put right. I think that words have been used which are rather wider than were meant. I suggest that from political purposes should be excepted all purposes relating to industrial matters which are defined in clause 4.

Mr. HUTCHISON.—We should not interfere with a man's political freedom at all.

Mr. HIGGINS.—Yes, but my desire is that the legislation upon which this and the other House has spent months should not be lost. I fear that those who support the Bill have been going too far in the making of concessions, and no doubt the more we can concede, the more likely it is that our actions will be used as an argument against us hereafter. So far as I can judge of the feeling of the people outside, if the Bill is not passed by this Parliament, a much stiffer and stronger measure will be pressed for at the next elections. If the Bill were passed in some reasonable form, we should have rest from the subject for a time, but if it is rejected, or is passed in its present form, the chief issue at the next elections will be conciliation and arbitration.

Mr. WILSON.—We are willing to take the risk.

Mr. HIGGINS.—It does not affect the honorable member. The time of this and succeeding Parliaments should not be occupied with legislation of this kind. I wish to get it off the board, so that other business may be brought on. The most pressing things which were expected of the Federal Parliament have not yet been dealt with. We have no policy as to defence, as to loans, or as to debts. We have been going on from hand to mouth.

Mr. WILSON.—We have been wasting time with this Bill.

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Mr. HIGGINS.—The waste of time is in this opposition to reasonable legislation.

Mr. LONSDALE. — What is reasonable legislation?

Mr. HIGGINS.—The Prime Minister has spoken of this as an important measure, and so forth. Would it not be fair to require from him some indication of his zeal for it, and to ask him to request the Senate to accept the amendment with regard to domestic servants and agricultural labourers, yielding to them in regard to the striking out of the amendment of the honorable and learned member for Corinella, and qualifying the definition of political purposes in clause 55?

Mr. MAUGER.—If that were done, the session would be closed in ten minutes.

Mr. HIGGINS.—Yes. The Appropriation Bill could be passed forthwith, and we should all be able to spend a happy Christmas.

Mr. WEBSTER (Gwydir).—I should have been much better pleased if the Government had indicated that they were prepared to make a reasonable compromise, with a view to meeting the views of honorable members on this side of the Chamber. They appear to be disinclined to make any concession, and apparently wish to force the Committee to accept the Bill practically in the shape in which it left this Chamber in the first instance. The first amendment proposed by the Senate deals with the inclusion of agricultural labourers. I have never felt very strongly upon that subject, but I realize that there is a bare possibility that circumstances will render it desirable to permit of an appeal to the Arbitration Court by the men engaged in the agricultural industry.

Mr. WILSON.—In that case we could easily alter the law.

Mr. WEBSTER. — Experience shows that it is not so easy to alter the law to the extent necessary to meet a special emergency such as I am contemplating. Therefore, I think that it would be desirable to bring agricultural labourers within the scope of the measure. So far as domestic servants are concerned, I admit that I voted in favour of excluding them from the Bill, not because I did not think they were entitled to the protection of the law, or because I under-valued the importance of the services which they render to the community, but because I could not conceive it possible for that class of labour to become organized in such a way that advantage could be taken of legislation affecting only disputes extending beyond any one State. I played a humble part in assisting to frame the New South Wales Arbitration Act, and I agreed to the exclusion of domestic servants from the scope of that measure, because I thought it would be scarcely possible to make the law applicable to them. If advantage could not be taken of State legislation in this direction, it is hardly likely that Federal enactments upon similar lines will be availed of. Domestic servants were excluded from the provisions of the Bill when it was presented to the last Parliament, and I promised my constituents that I would support that measure. I prefer to give my support to practicable measures only, and to ignore proposals which I regard as impracticable and illusory. If the Government desire to place an effective law upon the statute-book, they should be prepared to pay some regard to the representations of those who are most intimately concerned in the proposed legislation. I believe that although the leader of the Opposition has spoken in favour of including agricultural labourers and domestic servants in the Bill, he would be prepared to give way with regard to those classes of labour if the Government indicated their willingness to omit the proviso relating to preference to unionists. The honorable member for Grampians argued very reasonably in an endeavour to show that there was no difference between the proviso adopted at the instance of the Minister of Defence and the alternative amendment suggested by the leader of the Opposition.

Mr. SKENE.—I said there was no difference in principle.

Mr. WEBSTER.—There is a great deal of difference in principle. The effect in the case of the amendment proposed by the leader of the Opposition would be just and equitable, whereas in the other case the results would be just the reverse. We desire that the Court shall have the fullest possible discretion in dealing with all matters that come before it, and that it shall not be hampered or restricted by special provisions as to the extent to which proof shall be afforded that the union applying for preference represents the majority of those engaged in the industry. The proviso adopted upon the motion of the Minister of Defence was introduced upon a Friday afternoon, when honorable members were anxious to get away, after a wearying debate, and was carried prac-

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tically without discussion. A general debate took place upon the question of preference, but the amendment in the form in which it was finally adopted had not been printed or placed in the hands of honorable members until just before it was agreed to. All the trouble and friction which have arisen in consequence should serve to show honorable members the undesirability of adopting amendments without the fullest consideration. It is contended that the Court will take a reasonable view of the requirement that the application for preference shall be approved by the majority of those affected by the award, but the members of the legal profession who are to be permitted to appear before the Court will take care that every obstacle is placed in the way of the Court arriving at an opinion favorable to the claimants. Provision was made in the alternative amendment proposed by the leader of the Opposition that the Court should be satisfied that the applicants substantially represented in numbers and competency those who were engaged in the industry affected. The importance of the element of competency has been entirely lost sight of by honorable members. It was proposed that when a union asked for preference it should be in a position to show that its members are competent to perform the work required of them. We ask that the organizations shall not only guarantee that before a preference is extended to unionists, a majority of those engaged in the particular industry affected shall approve of it, but that they shall also guarantee their competency. The present Minister of Defence pays no regard whatever to the question of their competency. During the course of this debate reference has been made to the views of those who have played a prominent part in the introduction of kindred legislation elsewhere. In this connexion I desire to quote the following remarks from an article by Mr. B. R. Wise, which was published in the Sydney *Worker*:—

> One last word as to the particular amendment moved by Mr. McCay, on which the Watson Government went out of office. That provided that the Court should not grant preference, unless it was satisfied that the demand was made "by a majority of the persons affected." I have never yet met a lawyer who is able to tell me what these words mean, or how such a fact could be proved. Nor do I know of any one who has had any experience in the practice of the Court who does not admit that the insertion of such an amendment would make the preference clause a dead letter. In fact, the amendment is being supported by Sir John Forrest and all the Tories in Parliament, who are avowedly opposed to preference, and expressly hope that the Court would have no power to give it. The very fact that Mr. McCay's amendment is being supported by politicians of this class is sufficiently significant. Mr. Watson attempted to counter the amendment by moving, as an alternative, that the Court should not be allowed to grant preference "unless it was satisfied that the applicants substantially represented the trade concerned in respect both of numbers and competence." The difference between the two proposals is very great. Mr. Watson's proposal puts the burden of proof upon the persons who deny that the applicants do substantially represent the trade in both these respects—

Mr. McCAY.—Does Mr. Wise say that?

Mr. WEBSTER.—Yes.

> while Mr. McCay's amendment puts the burden of proof upon the persons who ask for preference. This is a difference which will be appreciated at once by any lawyer. Secondly, while under Mr. McCay's amendment it would be impossible to prove that the applicants were "in a majority," there could be no difficulty in showing that they "substantially represented the trade"; and, thirdly, and this is the most important difference of all, Mr. McCay's amendment makes mere numbers the test of whether preference shall be granted; Mr. Watson considers, not only the numbers, but the competence and standing of the applicants.

Mr. McCAY.—What a Tory doctrine it is to be opposed to the numbers?

Mr. WEBSTER.—The Prime Minister has played that card so often, and the honorable and learned member for Corinella has watched him play it so effectively, that he has now come to echo his leader's sentiments. The Labour Party do not object to majority rule; on the contrary, its members have always advocated it. If the honorable and learned member can show how it is possible to determine whether a majority of those engaged in any industry approve of the granting of a preference to unionists, he will have done something which has not yet been accomplished. But the fact is, he knows nothing whatever of the working of industrial organizations.

Mr. McCAY.—I am a worker myself.

Mr. WEBSTER.—I do not deny that, although the honorable and learned member is not a worker in the sense in which that term is employed in this Bill. He belongs to a profession which enjoys the strongest protection of any union under the sun. I cannot understand why he should refuse to allow the Arbitration Court to decide whether or not a preference shall be extended to unionists upon the ground that they constitute a practical majority of the persons who will be affected by its award,

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both from the stand-point of numbers and competency.

Mr. McCAY.—Does the honorable member wish me to add the word "competency" to my amendment?

Mr. WEBSTER.—No; I wish to obtain a workable measure. The Minister knows nothing whatever of industrial conditions, except what he has been told by those from whom he has held a brief. Upon the question of preference, the legal members of this Chamber differ.

Mr. McCAY.—They always do.

Mr. WEBSTER.—Who would expect the honorable member for Wentworth, with his marvellous knowledge of the law, to agree with Mr. B. R. Wise upon this matter? In New South Wales litigation, in regard to industrial questions, has been fomented by members of the legal profession; and, as a result, disputes which could have been amicably settled in half-an-hour by the rival parties conferring together, have been allowed to continue for a couple of years. Apparently the lawyers themselves are unable to interpret the provision relating to preference which is contained in this Bill. I am absolutely satisfied that that clause will become a dead letter if put into operation, and consequently I am not prepared to accept the Bill in its present form. I am convinced that Mr. Wise knows more about the legal aspect of this question than does the Minister of Defence.

Mr. McCAY.—For once I am in agreement with the honorable member.

Mr. WEBSTER.—I fail to see how the honorable and learned gentleman could disagree with such a proposition. I desire now to place before the Committee the opinion expressed by this gentleman on a concrete case. Mr. B. R. Wise, in referring to the decision of the State Conciliation and Arbitration Court, in the case of the laundry employés, said—

The refusal of the Court to grant preference to the Laundry Employés' Union raises, indirectly, a question of great importance—namely, whether preference ought to be refused to a union which is numerically weak. It is to be observed that in the case referred to the Court gave several reasons for refusing preference, of which the numerical weakness of the union was only one, and I by no means wish to imply that the decision of the Court upon the facts before it was incorrect. I do, however, desire to add to my previous observations on the Act a few words upon the very important question as to the right of the union to preference.

I thoroughly concur with the judgment of Mr. Samuel Smith that the whole scheme and purport of the Act implies that unionists have a *primâ facie* right to preference in all awards, and this whether they represent a majority of the trade or not. As Mr. Smith puts it, a union should be entitled to preference unless it can be shown that inconvenience will result either to the employers or to the great body of employés by granting preference.

The very specious argument is urged that to grant preference to a union which only represents a minority of the trade is an undemocratic interference with the rights of the majority. The fallacy of this contention lies in the fact that it overlooks the basic principle of the Act—namely, that the Court should only recognise organized labour. For reasons which are well understood, only organized labour can set the Act in motion, and only organized labour becomes effectively liable to penalties, although no doubt penalties may also be imposed on individuals. It is only through the organization of labour that the employer has any guarantee that the award of the Court will be observed. Thus it is only right that those who bear the burden of the Act, namely, unionists, should also be those who gain advantage from its benefits.

Can the Prime Minister, or the Minister of Defence, reply to such an argument? Mr. Wise's reading of the law is absolutely correct. He says that without organization the Act could not be brought into operation; that without organizations, disputes could not be brought before the Court, and that those who are responsible for the formation and maintenance of unions in such a way as to render it possible for an appeal to be made to the Court, are fairly entitled to a preference. Those who support the granting of preference on the terms favoured by the Government, do not realize the fundamental principle of the Bill. They do not appreciate the fact that those who have been building up unions for years, in order that the united reason of the workers may be brought to bear upon differences of opinion between employers and employés, have rendered yeoman service to the community. They have done what the Prime Minister grandiloquently describes as an admirable work in the cause of humanity and civilization, yet he would refuse to allow them any preference. Preference is to be denied unionists, although they have had to bear the cost of forming and maintaining the organizations, and may be subjected to penalties under the Bill. How can non-unionists be placed on a footing with unionists, so far as the advantages of this measure are concerned, if they cannot be made responsible for penalties that may be imposed on unions for breaches of an award? If the Government proposal be adopted, it will be impossible to make

them responsible for such penalties. I contend that we have no right in equity to give them the advantages which should accrue from the united efforts of more patriotic men in the same industry. This is an aspect of the question which has not been discussed. The amendment which enabled the Government to get into office was never really discussed, and that has been the cause of the whole trouble. Unless preference be granted to unionists on the terms proposed by the Opposition, an injustice will be done to them. We shall shackle them—we shall deprive them of the power to strike, and subject them to various penalties for breach of an award of the Court, whilst at the same time the non-unionists upon whom no such disabilities can be imposed, will reap all the benefits of the Bill. I hope that the Government will arrive at a fair decision. If Ministers wish to shorten the debate, to place this Bill on the statute-book, and to speedily reach the haven of recess, for which they are so anxious, they will be prepared to accept a reasonable and practicable compromise. Those who ask for a Conciliation and Arbitration Bill, in order that industrial disputes may be peacefully settled, should be given a just and workable measure. If the Government intimate that they are prepared to accept the amendments made by the Senate with reference to the question of preference, and to more clearly define the meaning of political purposes, I shall assist them in passing the Bill. At present, they are pleasing neither the employers nor the employés. The employers in whose interests they are supposed to be working, are appealing to honorable members by means of circulars, to put the Bill under the table, but I trust that that course will not be followed unless it is impossible to arrive at a decision that will enable us to place a workable measure on the statute-book. The Minister of Home Affairs has hitherto enjoyed the reputation of being a very fair-minded man, and if he wishes to retain that reputation which he has earned in State and Federal politics, and also as a citizen, he will realize the importance of bringing his influence to bear upon the Government to accept a reasonable compromise. He will certainly bring his influence to bear upon the Minister of Defence, who brought the Government into existence, and may possibly be the cause of their going out of office. I hope that the Government will agree to the passing of the Bill in such a form that it will be workable, and acceptable to the people; but, if, on the other hand, they seek to carry it in such a form that it would disgrace our statute-book, and injure those whom it is designed to serve, the Opposition will have to consider at a later stage what position they should take up.

Mr. HUGHES (West Sydney).—I do not know that it is of any use to deplore the attitude of the Government on this matter. If I thought that it were, I should certainly point out that they are not making any serious attempt to give the decisions of the other Chamber that consideration which they deserve. The statement of the Prime Minister that it indicates remarkable unanimity that honorable gentlemen in another place have differed from the majority in this Chamber on only two or three matters is an interesting one, but these matters upon which we differ are of such vital importance that if there were a general election the whole of the people of Australia would be divided in regard to them. The two parties differ as widely as it is possible for intelligent human beings to differ on such a question. The Government appear to wish to make out that two or three of the amendments are merely amendments of verbiage, but in our opinion a vital principle is involved in each case. The Government wish the Committee to disagree in the first place with the amendment excluding agricultural and other rural labourers. This Chamber decided by a fair majority that they should be excluded, though I could not follow the reasoning by which that decision was supported, and I do not now believe that any section of the community should be excluded from the operations of the Bill. I listened with considerable attention to the attempt made by the Prime Minister yesterday to show that this provision is, first of all, not required, and, secondly, unsuitable. So far as we know, in none of the Australian States, nor in New Zealand, have farm labourers come before the Arbitration Court. That, however, is not the point. The same reasoning might be used to support an amendment for the exclusion of lawyers or doctors. Doctors do not seek the intervention of the Court.

Mr. McCay.—They cannot. Their occupations are not industrial.

Mr. HUGHES.—I know that in Sydney the shorthand writers and typists, and even the assurance agents, made application to

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be registered, though I forget with what result. There are, however, persons in other walks of life who have not displayed any anxiety to take advantage of the provisions of this legislation, but they are not therefore excluded in set terms. Although agricultural labourers have not formed unions in Australia, they have done so in Great Britain, to their great advantage. For many centuries they blundered on, relying on their own initiative, and signally failing, wages gradually becoming lower, or their purchasing power becoming more restricted. Now that they have a union, however, their wages are materially increasing, and their conditions materially improving. The Prime Minister and those who support him do not seem to realize that the very lack of uniformity in the conditions of agriculture —which, however, is not very much greater than in any other industry—is one of the reasons why agricultural labourers should come under the Bill. The specialization of industry which marks manufacturing callings will sooner or later spread to agriculture. Whereas a little while ago one man did everything on a farm, we now find agricultural labourers who do nothing but make butter or cream. Why should a man engaged in a butter factory be treated differently from a man who works in a bread or boot factory? Or why should a man who reaps corn be treated differently from a man who shears sheep? There are now plenty of men engaged in the agricultural industry who do nothing else but follow a harvester or a threshing machine round the country. The leader of the Opposition has pointed out that already there have been strikes in the harvest field, and similar occurrences will take place again. It has been overlooked that the competition of foreign countries makes it increasingly necessary for our farmers to grow wheat on large holdings, requiring the employment of numbers of persons in one particular avocation at the one time. A strike might occur amongst such persons at harvest time, which would practically spell ruin to the individual employers, and perhaps disaster to the country. There is no calling in which conditions are more onerous, and the lack of regulation has been followed by more disastrous consequences, than the agricultural industry. I think the leader of the Opposition effectually disposed of the objection that to bring that industry under the Bill would involve the creation of an eight hours day, and a wage of 8s. a day. As I indicated by an interjection, the New South Wales Court, when unions whose members were working ten or eleven hours have come before it, asking for an eight hours day, has in most instances not granted the application. I admit that there is very little likelihood of trouble in the domestic circle coming within the provisions of the Bill, but I opposed the exclusion of domestic servants, because I consider that no section of the community should be excluded. I shall not advance any arguments on the subject of preference to unionists, and the application of union funds to political purposes, until we come to the amendments dealing with those subjects. I regret that the Government has treated this matter so lightly, and has made no serious effort to arrive at a compromise. I can only suppose that it hopes to browbeat the Senate into a surrender of the principles expressed by a majority, or thinks that that body will abandon its position. I hope, however, that a calmer view of all the circumstances which have happened since this matter was last dealt with, and the fact that they are not now prevented from giving expression to their opinions, will lead some of their supporters to change their votes. The Government are certainly not following the example of the two previous Administrations in making these questions vital. I hope that the Committee will accept the first amendment of the Senate, and that a reasonable agreement will be arrived at between the two Houses in regard to the others.

Mr. TUDOR (Yarra).—I regret that the Government do not see fit to accept more than the amendment which the Prime Minister has notified his willingness to accept. They appear to recognise that the provisions inserted by the Senate constitute the backbone of the Bill, and oppose them because they wish to make the Bill ineffective. At least fourteen supporters of the Government have at one time or another expressed themselves as opposed to arbitration, and have said that they will not vote for the Bill in any shape or form. The honorable and learned member for Wannon said that, so far as he was concerned, he was willing to exempt practically every one from the operation of the Bill. Unless the measure assumes a more satisfactory shape than when it left this Chamber in the first instance, it is questionable whether it will

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be worth our while to place it upon the statute-book. I have been closely connected with trade unions for many years, and I know that the members of those bodies do not regard the Bill in its present shape as of any practical use. The amendment in clause 55, which the Government are prepared to accept, does not in any way rob the provision of its objectionable features. The unions have not been worked as political machines. I have never been connected with a union that has directed its members to vote for one political candidate or another, nor have I ever known any union to do this. Some of the highest officials of the Trades' Hall Council in Melbourne have voted against labour candidates, and it is well known that on many occasions the representatives of the trade unions, instead of voting for labour candidates, as has been assumed by many persons, have taken the opposite course, and this has been reported in the newspapers many times. The fact that the Government are prepared to adopt the amendment proposed by the Senate in clause 55 is sufficient in itself to demonstrate to me that it will be useless. Only four amendments have been proposed by the Senate, and the Government in effect take up the position that three of them should not be accepted, because they have been adopted by a Chamber in which the majority of those who have made the alterations belong to the party now represented on the Opposition benches. When, however, the Senate suggested certain amendments in the Tariff, the Prime Minister took the opposite view. He did not suggest that they should be ignored, because the majority at that time was on the side of the party to which he belonged. He contended that the Senate was the special guardian of the rights of the States, and that their representations were entitled to the fullest consideration. I submit that we have as much right in this case, as in the other instance, to pay regard to the views of the Senate, as the Prime Minister desired about two years ago.

Mr. McCAY.—The honorable member did not agree with the Prime Minister's view upon the occasion referred to.

Mr. TUDOR.—I do not agree with his view to-day.

Mr. McCAY.—The honorable member ought to be consistent. He differed from the Senate then, but proposes to accept their view to-day.

Mr. TUDOR.—That is simply because there has been a radical alteration in the Senate.

Mr. McCAY.—That explains the Prime Minister's change of attitude.

Mr. TUDOR.—The Prime Minister would probably be able to explain any change in his attitude. I repeat, the trade unions are not political bodies, but the effect of the provision as it now stands in the Bill would be to prevent any union from obtaining preference for its members if it had made a donation to the Anti-Sweating League, or had sent representatives to take part in a deputation with regard to the amendment of the Factories Act, and had paid them for their loss of time. I believe that the Minister of Defence would be prepared, in such a case, to argue before the Court that the union had taken part in a political movement. The fact that a union had, at some time or other, voted half-a-guinea towards the funds of the Protectionist Association in Victoria, or the Free-Trade Association in New South Wales, would also be held to disentitle it to claim preference. I do not think that it is the wish of honorable members generally to place any such restrictions upon the unions, and I think that the clause should be amended in such a way as to leave matters as they stand to-day. Otherwise, the unions will declare the Bill to be useless. One of the amendments provides for the inclusion of agricultural labourers. A number of honorable members have stated that there is no necessity to bring the agricultural industry within the scope of the Bill, because no dispute has ever taken place in connexion with it. But that appears to me to be a very illogical position to assume. Many honorable members urge that we should make our defences as perfect as possible, although we have never been attacked, in order that we may not be found unprepared in the event of an attack being made upon us. But when it comes to a question of preventing industrial war, they do not think it necessary to adopt any precautions. With regard to the preference clause, we were told on a former occasion that there was a great deal of difference between the proviso adopted at the instance of the Minister of Defence, and the amendment proposed by the leader of the Opposition. Now we are informed that the difference is merely one of verbiage, and really not worth bothering about; but not long ago it was of sufficient importance

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to displace the late Government. I trust, however, that the amendment proposed by the Senate will be agreed to, or that, in the event of its being rejected, the Senate will adhere to its present position.

Mr. KELLY.—Is there any doubt about that?

Mr. TUDOR.—Not the slightest, and if the firmness of the Senate results in a double dissolution I shall warmly welcome it. Some reference has been made to majority rule; but, as I mentioned on a former occasion, it will be absolutely impossible under the terms of the proviso to satisfy the Court that the applicants for preference represent a majority of those engaged in any industry. Provision is made that the applicants shall satisfy the Court that their request has the approval of the majority of the persons affected by the award. Under the Victorian factory law the application of which was so largely extended by the Minister of Trade and Customs, provision is made that in the election of representatives to the Wages Boards, only male adults and females over the age of eighteen years shall vote. Under the proviso, however, every child engaged in an industry would be entitled to a voice upon the question of preference.

Mr. MAUGER.—Can the provision be construed in that way?

Mr. TUDOR.—Certainly it could. I need scarcely point out that a large number of juveniles are employed in the jam-making and confectionery industries, every one of whom—under the operation of the amendment of the honorable and learned member for Corinella—would require to be counted. As I have previously pointed out, the adoption of his proposal would practically result in the handing over of the cabinet-making business to the Chinese. Some honorable members opposite affirm that there is no difference between the preference provision as it left this Chamber and the proposal of the leader of the Opposition. If that be so, why did they refuse to allow that clause to be recommitted?

Mr. McCAY.—They have reformed now.

Mr. TUDOR.—Nobody is aware of the pressure which was brought to bear upon some honorable members to induce them to vote as they did upon that occasion; nor can any honorable member foretell how they will vote now. I trust that the Committee will respect the wishes of the Senate in this matter. I believe that the present is the first occasion in the political history of Australia upon which the second Chamber has proved itself more radical than that which is usually considered to be the popular House, although, of course, the Senate is elected upon a broad franchise. I believe that if, as the result of disagreement between the two Houses, a double dissolution were to take place, we should find that the electors are not prepared to accept the sham measure which is offered to them by the Government.

Mr. FOWLER (Perth).—Although it is difficult to say anything fresh upon this subject, it is just as well that honorable members should clearly indicate the position which they take up in regard to the proposals now under consideration. I feel sure that the time which we spend in discussing these proposals upon a broad basis will represent time saved in the long run, inasmuch as it will prevent a good deal of discussion at subsequent stages. I am sorry that the debate seems to be confined to a very large extent to members of the Opposition. Those who share the views entertained by the Government are represented by a few skirmishers, who appear to be satisfied that they are performing the work of their party by making an occasional interjection. At any rate, we have failed to draw the fire of the enemy up to the present time. I am quite sure that honorable members opposite are not likely to be moved by any arguments of mine.

Mr. McCAY.—Is the honorable member likely to be moved by any arguments of ours?

Mr. FOWLER.—I think that the Minister will credit me with exercising a very open mind upon most questions, and with being prepared to listen to any arguments which may be advanced.

Mr. McCAY.—The honorable member is ready to be convinced, but I should like to see the man who can convince him.

Mr. FOWLER.—Upon more than one occasion I have admitted that the Minister has shown me that the view which he entertains was the correct one. I am sorry that we are not able to see eye to eye upon this question, but I hope that its discussion will enable us to come more closely together. Regarding the first proposal with which we shall be called upon to deal, it seems to me that a very strong case requires to be stated to justify the positive exclusion of agricultural labourers from the operation of a measure of this character. Those honorable members upon the opposite side

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of the House who swallowed the proposal to include the railway servants need not be disposed to strain at the small gnat which is represented by the inclusion within its scope of farm labourers. The two cases are practically upon all-fours. I admit that some very good arguments were adduced as to why the Bill should not be made applicable to the railway employés, but no such arguments have been advanced in support of the exclusion of farm labourers. I am aware that, with a few honorable members who represent agricultural interests, the chief consideration involved is one of expediency. But I take it that there are members upon that side of the Chamber who are sufficiently independent to do what is proper in a matter of this kind without paying regard to any particular section of their electorate. I wish to ask them why they refuse to extend the provisions of this measure to farm labourers, seeing that they are prepared to make them applicable to railway employés?

Mr. Austin Chapman.—We bowed to majority rule.

Mr. FOWLER.—If honorable members are prepared to bow to majority rule, they should recognise that the majority which included railway servants within the scope of the Bill ought—for consistency's sake—to make it applicable to farm labourers. The same argument applies also to domestic servants. I fail to see why they should be denied the right to obtain justice before the Court which we propose to establish. I admit that there may be grave difficulties in the way of their appearance before the Court. That, however, is no reason why we should attempt to exclude them from the operation of the Bill. What would be said if, in matters pertaining to the ordinary affairs of life, we debarred a certain section of the community from having access to our courts of law? A very exceptional case, indeed, would require to be made out before the public would tolerate such a condition of affairs. I recognise that at the present time it is almost impossible to extend to domestic servants the benefits which this Bill will confer upon other classes. That, however, is no reason why we should deliberately exclude them from its operation. I say that we should give them the right to appeal to the Court if they wish to do so. If they are so blind to their own interests that they refuse to organize, the fault will rest with themselves. Personally, I think that, with an increasing sense of their responsibility, they will be induced to organize at no distant date. Those who oppose the granting of a preference to unionists wish to impose upon the applicants, as a condition precedent to the extension of any such preference, the obligation of proving that they represent a majority of those who will be affected by any award of the Court. I wish to know why they should be obliged to establish any such affirmation. The question to be considered by the Court, in dealing with an application for preference, is simply whether the applicants have a just claim. If a preference were extended to a very considerable number, some of the non-unionists might very well object that it would seriously interfere with their prospects of employment; but where the organization making application comprised only a minority of those engaged in the occupation which it represented, I, as a non-unionist, should regard that rather as an advantage than a disadvantage. It should be shown, at all events, in a way that has not yet been attempted, that the granting of preference is bound up in the giving of it to a majority of those engaged in the industry affected. It ought to be shown that the granting of a preference to a minority would be something in the nature of an injustice; but no honorable member opposite has yet attempted to prove anything of the kind. I do not wish to detain the Committee. I have indicated, as clearly as I can, the position I take up in regard to these amendments, and I trust that before many hours have passed, we shall have come to close quarters, arrived at a decision, and thus got a step nearer to the haven of recess which the Government desire to reach, and which I, for one, am not in the least anxious to deny them.

Mr. McDONALD (Kennedy).—We have been told by the Prime Minister that while the Government are prepared to accept one of the four amendments made by the Senate, they intend to ask the Committee to disagree with the remaining three. That which the Government are prepared to accept is practically of no value.

Mr. Carpenter.—That is admitted by the Prime Minister.

Mr. McDONALD.—That is so. Instead of being prepared to make a concession, the Government are adopting an attitude of antagonism to the propositions of the Senate. The Prime Minister, in opening the debate, asserted that these amendments had been

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made by another place as the result of the efforts of the Labour Party. He certainly took up an extraordinary attitude. When the Constitution was framed providing for the establishment of the Senate on a popular franchise, it was said that that Chamber would be the States' House. We are now told by the right honorable gentleman that his observations have led him to the conclusion that it is a House in which party interests prevail just as strongly as they do in the House of Representatives.

Mr. POYNTON.—He did not raise that argument when the Tariff Bill was before us.

Mr. McDONALD.—He did not. He appeared to be very thankful that there was such a House, and had great hope of the Senate granting the people some measure of relief in the matter of the Tariff. In this case he is prepared to condemn another place because of the party system, which his own followers introduced into it. It is all very well for the Prime Minister to say that these proposals were carried as the result of the action of the Labour Party in another place, but if his contention be correct we may reasonably expect that the Senate will insist upon its amendments. If the Government are going to flout the will of the Senate, and to scorn its proposals, we may expect that Chamber to take up a similar stand with regard to the Appropriation Bill, or any other measure that may be sent up to it. The result will be a dead-lock between the two Houses. That would be most undesirable in the early history of the Federation. It would certainly lead to a great deal of wrangling, which would not redound to the credit of the Parliament, or to the different political parties in the Commonwealth. The decisions of another place deserve as much respect as do those arrived at by us. It seems to me that the leader of the Government, in dealing with these amendments in so jaunty a fashion as he did, was spoiling for a fight. He will probably get it, and, if he does, I think that, judging by past events, he will be very sorry for the stand he has taken.

Mr. JOSEPH COOK.—Why speak in this way, when Christmas is so near?

Mr. McDONALD.—This is not a joking matter with me. Some honorable members seem to be anxious to draw their allowances and to do as little as possible.

Mr. KENNEDY.—The honorable member would prevent others from doing anything.

Mr. McDONALD.—The honorable member cannot do anything, for he is muzzled. The Prime Minister gave him a set back a few evenings ago, and he has scarcely been able to speak since.

Mr. KENNEDY.—The honorable member has never been able to set me down.

Mr. McDONALD.—It takes the Prime Minister to do that. The Opposition have no fear of a double dissolution, although that is what the Prime Minister is evidently aiming at. The sooner it comes the better, for it will probably lead to several parties in the House being more clearly defined than they are. We all know the desire of the Prime Minister in regard to this measure. It has been common talk among honorable members—and the matter has been discussed in the press—that he wishes us to reject these amendments, because he is anxious to bring about a double dissolution. If that be his object, the sooner it is accomplished the better. As honest men, we have no right to pretend to be passing legislation when we know that the state of parties in this House is such that the business of the country cannot be effectively carried on. The Minister of Trade and Customs may smile, but it appears to me that he and other members of the Ministry were quite prepared to forego their own opinions in order to gain possession of the Treasury benches. I would remind the Committee that agricultural labourers were exempted from the provisions of this Bill only by the votes of a number of honorable members, who represent farming constituencies in this House, and who believed that by taking that action they would gain a few votes. When they are prepared to do such a thing we cannot pay much regard to their professions of sympathy with the principle of conciliation and arbitration. At the outset, it was decided that the Bill should be extended to public servants, and an amendment to that effect was carried by the votes of certain honorable members, who said that they supported it for the express purpose of wrecking the measure.

Mr. G. B. EDWARDS.—The honorable member is in error; there was a clear majority of honest believers.

Mr. McDONALD.—I am speaking not of the extension of the provisions of the Bill to railway servants alone, but to public servants generally.

The CHAIRMAN.—What has this to do with the amendment?

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Mr. McDONALD.—I understood that a general discussion on the provisions of the Bill would be allowed upon this motion.

The CHAIRMAN.—No.

Mr. McDONALD.—I do not wish to be gagged.

The CHAIRMAN.—Order. The honorable member ought to know that for the sake of convenience, it was decided that on the motion before the Chair, there should be a general discussion upon the four amendments made by another place——

Mr. WATSON.—With incidental reference to the scope of the Bill.

The CHAIRMAN.—Certainly; I am not complaining of that. The honorable member for Kennedy has stated that it was understood there was to be a general discussion on the Bill, and I desire to inform him that the discussion must be limited to the amendments made by another place.

Mr. McDONALD.—The Prime Minister dealt with the whole question of unionism.

Mr. JOSEPH COOK.—No.

The CHAIRMAN.—If he did, I am sorry that my attention was not drawn to it. I should have disallowed such a discussion.

Mr. McDONALD.—He did do so, and was followed by the leader of the Opposition. I intended to read a number of quotations from the speech made by the Prime Minister, more particularly in regard to the action of the Labour Party in another place, which really had nothing to do with the question before the Chamber. I think that there is no class in greater need of the protection of this measure than are the agricultural labourers. In Victoria, New South Wales, and Queensland they are actually asked to work in some cases for wages ranging from 7s. 6d. to 12s. 6d. per week. We must not lose sight of the fact that they are unskilled labourers, and that as invention after invention is brought out, the number of unskilled workers on the labour market is increased. The result is that competition amongst them is becoming keener and keener, and it is very difficult for many of them to gain an honest living. What is the excuse of the Prime Minister? His whole argument is that, because these men have no organization, they should be excluded from the Bill. I make bold to say, however, that when we do have an organization amongst them, those who are now clamouring for their exclusion will be crawling round them for their votes. We have seen that sort of thing before. There is to-day in existence an organization which, although it has not yet extended into the agricultural districts, will so extend, and will become a very large organization. We are going to leave no stone unturned to organize the farm labourers as well as possible, because they require as much protection as do the other classes of the community. The domestic servants also, because of their long hours and poor pay, should be included in the Bill. It is no excuse to say that they are not organized. I hope that the amendment of the Senate, governing this matter, will be accepted. There has been a good deal of discussion on the subject of preference to unionists, and the Government came into power because of an amendment carried against the Watson Administration on this very subject. What, however, is the whole reason of the Bill? Its object is the settlement of disputes between employers and employés, by conciliation and arbitration. The basic principle of the measure is the formation of organizations which can be dealt with by a Court for the prevention of strikes. If we do not give preference to these organizations, we shall be taking away from them privileges and rights which they have enjoyed for years, and giving them worse than no return. The Bill compels them to give up the right to strike—a weapon which they hold at the present time, and which, although a barbarous one, is very effective. They are also asked to forego their political privileges. Nothing can be done for the advancement of labour, whether organized or not, without political action. From the earliest times there has been political action in connexion with unionism. Every concession, every privilege, and every right which the unionists now enjoy, has been obtained by political action. The very fact that an organization is in existence makes it a political organization, whether it does, or does not, run candidates for Parliament. To ask the trade unions to give up political rights which they have enjoyed for so long, is virtually to ask them to disband.

Mr. KENNEDY.—They are not deprived of their political rights.

Mr. McDONALD.—If their rules are political, or their funds are used for political purposes, they cannot obtain a preference.

Mr. KENNEDY.—An organization desiring a preference must not allow funds

collected for industrial purposes to be used for political purposes.

Mr. McDONALD.—An organization could not take any action at all which might be construed as political action. Our organizations, which, I suppose, are the biggest in Australia to-day, will practically refuse to come under the Bill if the provision preventing them from obtaining preference is agreed to, and the measure will consequently become useless, so far as they are concerned. We have been told, however, that 100 men may register as an organization, and register under the Bill. Therefore, it might happen that a bogus organization, possessing no funds which the Court could attach for the enforcement of an award, might apply for a preference, and obtain it, while the real organization, with ten times, or a hundred times as many members, might be debarred from applying, on the ground that it was political.

Mr. McCay.—The amendment would prevent that. A union of 100 men could not obtain a preference, because it would not represent a majority of those engaged in the industry.

Mr. McDONALD.—I am glad that the honorable and learned gentleman has made that interjection, because it shows that his amendment is evidently designed to destroy trade unionism. The existing organizations will not be able to obtain preference, on the ground that they are political, while other organizations will be put out of Court because they do not represent a majority of the workers.

Mr. Joseph Cook.—Who put that provision into the Bill?

Mr. McCay.—The late Government.

Mr. Tudor.—Instead of something worse.

Mr. McDONALD.—I voted for it as the lesser of two evils. As honorable members know, we could not vote for the original proposal, because an amendment was moved. I have, however, explained my views in regard to this matter. It is quite possible that the Government may have their own way in regard to the amendments of the Senate. I understand that their majority is back from Tasmania, and that he was brought over for the present occasion. If, however, the amendments are defeated, I shall join with those who petitioned the House this afternoon against the Bill being passed. I would rather see it thrown under the table than passed in the form desired by the Government. If it became law in that form, it would give trade unionism in Australia the greatest blow it has ever had. After the maritime and shearers' strikes, when our men were being tried for conspiracy and other offences, we were told that our proper method of obtaining redress for our grievances was to take political action. We heard the same thing from prominent political leaders. The moment, however, that we attempted to take political action every obstacle was thrown in our way. Even now honorable members opposite are endeavouring to break down the organization of the Labour Party. That is the object which is aimed at by the proviso.

Mr. Conroy.—How can the proviso affect the organization of the Labour Party?

Mr. McDONALD.—It will not affect the organization of the Labour Party, except so far as it may create more trouble for the unions. The opposition that has been directed to our party has helped us, and the action now being taken by honorable members on the Government side will have a similar effect. Our organizations intend to take political action to such an extent that honorable members will be glad to obtain our support. I trust that the Senate's amendments in clauses 4 and 40 will be agreed to. I regard the amendment in clause 55, which the Government are willing to adopt, as practically useless, and I do not care whether it is carried or not. The Prime Minister said yesterday that the Court could not be expected to deal with disputes between individuals, and he indicated that if the Bill were to become effective both the employers and the workmen must be organized. Yet he is not prepared to accept amendments which would encourage organization. I cannot credit the Government with sincerity in this matter, and I trust that the majority of honorable members will not accept their advice.

Mr. HENRY WILLIS (Robertson).—The honorable member for Kennedy has made just such a speech as we might have expected from him, in view of the attitude he previously adopted towards the Arbitration Bill. In connexion with the amendments now before us, we have to consider the position which the Senate occupies in respect of the people of Australia. The Senate is looked upon as the special guardian of the States' rights, whereas we in this Chamber represent the people of

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the Commonwealth. I am one of twenty-six representatives of New South Wales in this Chamber, whereas that State has, in common with all the other States, small and large, only six representatives in the Senate. Therefore, it cannot be claimed that the senators represent the people in the same full degree that we do, and I do not think that we are called upon to accept their dictum upon a matter which would seriously affect a number of persons who do not desire to be brought under the operation of the Arbitration measure. If the agricultural labourers had desired to be brought within the scope of the Bill they would have organized with that end in view long before this.

Mr. WATKINS.—Why debar them from organizing?

Mr. HENRY WILLIS.—They are not debarred from doing so. There is ample provision in New South Wales and Western Australia for organization on the part of agricultural labourers if they desire to avail themselves of the arbitration laws of those States.

Mr. POYNTON.—Has any injury been done to the farmers of those States?

Mr. HENRY WILLIS.—No injury whatever, and they do not anticipate any disadvantages arising from the exclusion of agricultural labourers from the scope of this Bill. The experience gained in the past tends to show that this Bill is not required, so far as the agricultural industry is concerned, and, indeed, I do not think that any great harm would be done if the Bill were thrown under the table. It is a pure experiment. The legislation that has been passed in New South Wales will lapse in 1906. During the experimental stage of that measure, farm labourers in New South Wales have made no effort to take advantage of it.

Mr. HUTCHISON.—Will the honorable member vote against re-enacting the Arbitration Act in New South Wales?

Mr. HENRY WILLIS.—That matter is not within the jurisdiction of this Parliament. I keep just ahead of the people. I give them what they want, and expound to them the provisions of measures proposed, and if they desire an Arbitration Bill, I assume that they think it will be beneficial to them. The working people suffer far more than any others through industrial warfare, and they are entitled to receive the fullest protection. The honorable member for Kennedy has represented the agricultural labourers as poor, benighted and unskilled workmen. I would point out to him, however, that the agricultural labourer who knows his business, is a particularly skilled worker, who requires to possess a good deal of technical knowledge. If he knows his business, he will be thoroughly acquainted with the importance of utilizing the soil enriched by leguminous plants for the purpose of growing other crops, and of taking measures for the inoculation of the soil with fertilizing bacteria. The agricultural labourer knows that his work cannot be regulated in the same manner as can that of the mechanic, who is employed in the large centres of population. The elements play a great part in regulating his labour. He has to sow and reap as the weather may permit, and open up the soil as opportunity may offer. He cannot regulate his work upon the eight hours system, and if any attempt is made in that direction, it will operate to his disadvantage rather than otherwise. How could a dairyman leave his stock at particular hours of the day, when perhaps they might require special attention? In connexion with the amendment of clause 40, the Labour Party totally disregarded the principle of majority rule. The proviso to which they object, embodies that principle which is the only sound one that can be adopted in granting preference to unionists. We have no right to subject those who are outside the unions to special pressure which may be exerted for political purposes. The Senate has proposed one legitimate amendment, which the Prime Minister has expressed his willingness to accept. Honorable members opposite, however, desire to establish minority rule. Representatives of the Labour Party in this House, and in the Senate, combined recently, resolved to carry on a battle against the people of Australia, and they sustained a heavy defeat. The Prime Minister represents the people through a majority of this Committee. Honorable members opposite, who are disposed to decry my statement, know that unless the party whip be cracked, so that they fear their masters in the Trades Hall, the right honorable gentleman can command a majority of from thirteen to twenty-five votes.

Mr. KING O'MALLEY.—Who are the masters of honorable members opposite?

Mr. HENRY WILLIS.—The people of Australia. We should not be here if we

did not represent the people, and it is their will that the Bill should be passed in the form desired by the Prime Minister.

Mr. KING O'MALLEY (Darwin).—The honorable member who preceded me has indulged in a lot of talk regarding the laws of nature. He reminds me very much of an alderman who had travelled a little, and who thought he had seen the world. Amongst other places which he had visited was Italy, and when it was proposed that the local governing body with which he was associated should buy a dozen gondolas, with a view to placing them upon a lake in the park, he exclaimed, "No. Let us get a male and female, put them together in the park, and allow nature to take its course." What is the present position? The Prime Minister is not prepared to agree to the amendments made by the Senate, despite the fact that that Chamber represents the whole of the people of the Commonwealth just as much as does this House. It is elected upon the same franchise.

Mr. HENRY WILLIS.—But the representation is very different.

Mr. KING O'MALLEY.—Practically we are asked to declare that the Senate is a political nonentity. The Prime Minister does not offer to compromise with it, despite the fact that all laws should be based upon compromise. A day or two ago we heard a wail from the catacombs of the boodlers. In the morning newspapers the statement was published that the employers have no representation in this House, whereas the employés are well represented, notwithstanding that during the past nine months the honorable and learned member for Wannon and others have been specially pleading the cause of the gentlemen who possess wealth. It is true that wealth is accumulated labour, but I find that, whilst the masses perform the work, the classes do all the accumulating. Some time ago the Prime Minister announced that he intends to crush the Labour Party.

Mr. REID.—I did not say that.

Mr. KING O'MALLEY.—The right honorable gentleman said that he intended to annihilate that party. Personally, I am prepared to die at any moment. The statement that the employers are not represented in this House is an absolute fabrication. Pierpont Morgan and Jay Gould would never have insulted their representatives by making such a declaration.

Mr. KENNEDY.—The employers merely affirm that they have no distinct representation in this House.

Mr. KING O'MALLEY.—What is the honorable member himself?

Mr. KENNEDY.—I am not the distinct representative of any party.

Mr. KING O'MALLEY.—The honorable member is labouring under one of the most frightful compound hallucinations that ever struck a man without killing him. The Labour Party represents the toilers, moilers, strugglers, and accumulators.

Mr. KENNEDY.—The honorable member could not get a political start without obtaining the nomination of a section of the people.

Mr. KING O'MALLEY.—The honorable member himself is the absolute embodiment of sectionalism, because he refuses to extend to domestic servants the rights which he claims for himself. If he should ever stand before the heavenly throne, I advise him not to look into a mirror, if any workmen are present. I contend that no class of the community work so hard, and for such small wages, as do the domestic servants. What did the great Teacher of morality lay down as the cardinal principle of Christianity? Was it not that the strong should bear the burdens of the weak? There will have to be organizations all over the Commonwealth before this law can be put into operation, and I do not suppose that any honorable member will live to see domestic servants so organized.

Mr. KENNEDY.—They why all this humbug?

Mr. KING O'MALLEY.—We have been humbugged enough over this Bill. Has it not been the cause of the resignation of two Ministries. I told the Labour Party in the caucus not to leave the Treasury benches until they were removed by legitimate effort. Had I been Prime Minister the heavens would not have removed me, unless the removal had been conducted on proper lines; and I thank the present Prime Minister for the stand he has taken in that connexion. Domestic servants are entitled to every right and privilege enjoyed by other members of the community. If the law is not applied to domestic servants and agricultural labourers, it will simply be a dead letter; but, at all events, it will be there if those classes choose to avail themselves of its provisions. I do not like the

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income tax, but it is there; I do not like policemen too much, nor do I like police courts, although I get into them occasionally; but, at the same time, those institutions are there to be availed of if we so desire. This law ought to be for the whole of the people of the Commonwealth, and not for a section merely. We find the manacled minions of monopoly trembling at the crack of their master's whip. Thank God, I am no slave! Let us give equal rights and justice to all, and privilege to none.

Mr. CONROY. — Under the Constitution domestic servants could not avail themselves of such a law.

Mr. KING O'MALLEY.—Constitutions are made to be amended if they do not suit the people. Let us include domestic servants and agricultural labourers, and leave it to the Judges of the High Court to decide the constitutionality of the law. A farm hand is in a sense hopeless; no star in the heavens shines for him. I have worked on a farm, and know something about the conditions. When, as a boy, I ran away from home, I was on a farm, and my Yankee master used to keep me at work all the week, and on Sunday, when he was in chapel, singing "Jesus, lover of my soul," he was watching me through a window oiling his harness. Farm hands are human beings, some of them with hearts and some without; there are just as many hypocrites in the country as there are in the city. I appeal to the Prime Minister to treat all sections of the community alike. If farm hands, as in New South Wales and Western Australia, do not organize, their inclusion in the Bill will make no difference, except that the law will always be there if they choose to organize and appeal to it. In all lines of life the good are half bad, and the bad are half good; no man has yet been discovered who had not a little of the milk of human kindness, and, on the other hand, no man, however good he may be, is without a little of the Adam. Slavery in its crude form was a rotten system of labour. The slaves had to be driven to work, and watched because there was no incentive to exertion, and they had to be sheltered, and doctored, and buried by their masters. No modern financier would carry on such a system of business. In the old days slaves were bought by the highest bidder, but the whole economic conditions of the world have changed, and it is now the workers who go into the market and outbid each other for jobs. I want the Prime Minister to be able to look back and say that he carried this measure, not for a section, but for the whole of the people. No question is settled until it is rightly settled. When George Washington liberated his own slaves, he thought he was doing a wonderful thing, and the world praised him. But when he died in 1799, slavery did not die with him. Had George Washington exercised the great power he possessed, and emancipated the few slaves that were then in America, before Whitney invented his gin, and cotton became king, there would not have been four millions of men engaged in a murderous civil war from 1861 to 1865. That war occurred because the slavery question was not rightly settled in the first place. I ask the Prime Minister to settle this arbitration question now for all, or settle it for none—to give every one the benefit, or give none the benefit. I have no abuse to heap on the farmers or anybody else, but men are all alike when they become wealthy — most of them lose all heart.

Mr. HENRY WILLIS.—Nothing of the kind!

Mr. KING O'MALLEY.—During my travels in America and Australia I have met men whose hearts could scarcely be found with a microscope. This question has been discussed from all aspects, and the time has arrived for us to do justice. As to the question of preference, if two or three members of a union sent a petition to this Parliament demanding some hygienic or other reform, they would be deemed guilty of political action, and lose all their rights under this Bill. Can there, in fact, be any reform which is not political under such a Constitution as ours? There are but two methods of securing reform. One is the ballot of evolution, and the other the bullet of revolution. Do honorable members wish the workers of this country to take up their Winchester rifles and to start out to shoot men in order to get reforms? They must secure reform either through the ballot-box, or by means of their guns. I would let the ballot-box settle everything. Russia refused to accept any kind of reform lately, and is being convinced by means of Japanese Mauser rifles and big guns. Russia is paying dearly for her experience. There is not a solitary action that a man can do on the top of this green earth but that can be construed to be political action.

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Mr. KELLY.—Cannot the honorable member trust the Court?

Mr. KING O'MALLEY.—I desire to trust the Court. I remember a speech which the Prime Minister made when he was leader of the Opposition, which had a great effect upon my mind. He said, "If the workers are prepared to trust the Judges, why should not the wealthy section of this country do the same?" The reason why, in America to-day, the working classes are opposed to compulsory arbitration is because they do not trust some of the Judges. They are afraid that the Judges would not do them justice, but in Australia the workers have the greatest confidence in the judicial bench.

Mr. CONROY.—Are not the majority of the workers in England opposed to compulsory arbitration?

Mr. KING O'MALLEY.—I do not intend to discuss that phase of the question, because I am not too familiar with English politics. England is a back number on labour questions. I am talking of two progressive countries—Australia and America. At present England is asleep. Some day she will wake up and have progressive laws.

Mr. HENRY WILLIS.—Then, what about Canada?

Mr. KING O'MALLEY.—Canada is discussing compulsory arbitration, though she is behind the times.

Mr. HENRY WILLIS.—Not at all.

Mr. KING O'MALLEY.—Undoubtedly, she is. I remember when the present King of England—then Prince of Wales—was in Canada in 1859, he had to dance with old women, from the wives of the Government officials downwards. But when he came to New York, he never danced with old women at all, but with young girls.

Mr. REID.—That was not under an Arbitration Act, was it?

Mr. KING O'MALLEY.—The Prime Minister should remember that every reform brought about to alleviate the sufferings of the struggling masses, has been secured by means of unions. To-day in Chinese South Africa, the millionaries do not want to have unionism. They wish to have an army of slaves at their command, just as the planters had in the southern States of America before the war. How can honorable members opposite take up their attitude of opposition? One looks at them, and sees that they have intellectual faces, and appear to be sympathetic. They seem to me to have hearts; but I am afraid that some of them are merely shells, and that they have no hearts. Their opposition affects me deeply, because I have such a great respect for them. The honorable and learned member for Wannon is supposed to be especially the representative of the employers, but I see from a report in the newspapers a statement that the employers have no representation in the Commonwealth Parliament.

Mr. ROBINSON.—Nor have they.

Mr. KING O'MALLEY.—Such a statement is a defamation of this temple of democracy. We shall never have the workers telling us that they have no representation here.

Mr. HENRY WILLIS.—Some of them say so now.

Mr. KING O'MALLEY.—The kind of workers whom the honorable member meets may say so, but they are little better than slaves who bow and nod to the honorable member when they meet him. The Australian workers as a whole stand erect like the statues of the ancient Greeks. There is no bowing and scraping about them. I earnestly trust that the Prime Minister will take this question home with him, and sleep on it.

Mr. MCLEAN.—He will flatten it out then.

Mr. KING O'MALLEY.—No; but he may hatch out justice before the morning.

Mr. POYNTON (Grey).—I must express my disappointment at the action of the Government on this question. I had hoped that the atmosphere was cleared, and that the Government would seriously consider this Bill, with the object of putting upon the statute-book a measure which would give general satisfaction. Instead of that, there appears to be no honest effort to bring about a settlement of the great and difficult question involved in it. I was really astounded when I heard the Prime Minister state, as one reason why the amendments of the Senate should be treated so unceremoniously, that the majority in the Senate represented the same politics as does the Labour Party in this House. It is playing it very low down for the Prime Minister to take up that attitude, and to treat the amendments of the Senate as being different in their nature from the amendments ordinarily made in that Chamber, because the Labour Party is strong there.

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Mr. KELLY.—He never said that.

Mr. POYNTON.—The right honorable gentleman gave as a reason why the amendments should not be seriously considered, that the majority in the Senate represented the same views as do the Labour Party in this House.

Mr. KELLY.—That is quite true, is it not?

Mr. POYNTON.—But is that a reason for not giving due weight to the amendments? I remember that the right honorable gentleman, when the Tariff had just been disposed of, expressed his indebtedness to the Senate, and complimented it upon the work which it had done.

Mr. CONROY.—I am sorry to say the Senate made no changes worth speaking of in the Tariff.

Mr. POYNTON.—If the honorable and learned member will look up *Hansard* he will find that the Senate made great changes in connexion with the duties proposed on machinery. I contend that a most unreasonable argument has been advanced to induce honorable members not to fairly consider the amendments which have been made by the Senate in this Bill.

Mr. CONROY.—Not that they should not be considered, but that we should not be forced to accept them.

Mr. POYNTON.—There is no question of our being forced to accept them. The Prime Minister, without any provocation, being the first to speak on the subject, deliberately suggested that the Committee should not consider the amendments made by the Senate, because of the party by whom they were made. That is decidedly a wrong position for the Prime Minister to take up, in dealing with amendments made in another place. I should like to know what the present Prime Minister would have said if the honorable member for Bland had suggested the adoption of a similar course. I have a word or two to say about the inclusion of agricultural labourers. On a previous occasion, I described their inclusion in the Bill as being something which, like chips in porridge, would do very little harm. I complain that honorable members who, from their own experience of the operation of the New South Wales Act must hold the same opinion, should go about the country telling the farmers that the inclusion of agricultural labourers in this Bill would mean that they must work only eight hours, and must receive eight shillings per day, and that they would have an inspector constantly on their farms. We know that, although a similar provision has been in operation for some years in New South Wales, the hours and wages of farm labourers still remain unregulated.

Mr. HENRY WILLIS.—Because they are not organized and registered under the Act.

Mr. POYNTON.—In view of the experience gained in New South Wales, I would ask honorable members how the inclusion of farm labourers in this Bill is going to bring about all the calamities which have been described? Let honorable members opposite be honest and candid in this matter. I invite them to say whether any political party in New South Wales dared at the last State elections to advocate the repeal of this provision in the New South Wales Act. Honorable members must be aware that they are talking right down humbug.

Mr. KELLY.—Will not the New South Wales Act lapse after a very few years?

Mr. HENRY WILLIS.—It will lapse in 1906.

Mr. MCDONALD.—Will it? There are too many trade unionists in New South Wales for that.

Mr. POYNTON.—I recognise that of all classes of labourers it is most difficult to bring those engaged in the agricultural industry under the operation of this Bill, but from the outset I have taken up the position that we have no right in this legislation to discriminate between one class and another.

Mr. WILSON.—Why have we not the right?

Mr. POYNTON.—Because it would be unjust to do so. I contend that we have no right to exempt the farming industry if we do not also exempt the pastoral industry, and we have no right to include the pastoral industry if we do not also include the farming industry. If the law we propose is bad, the people will rise in a body, and demand its repeal.

Mr. WILSON.—The farmers as a body have protested against the inclusion of agricultural labourers.

Mr. POYNTON.—The farmers have done nothing of the kind. A similar provision has been a part of the law in New South Wales for several years, and yet

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there was not one of the three political parties in that State who dared advocate its repeal at the last State elections. Honorable members opposite have said that this provision will bring trouble upon those engaged in the farming and dairying industries, because it will affect the hours of labour, and the wages paid to labourers in those industries. It has been proved that a similar provision in the New South Wales Act has resulted in no injury, and how can it be said that it will result in injury under this Bill? The same arguments apply with equal force to the inclusion of domestic servants in this Bill. When the honorable and learned member for Wannon visits Horsham, or some such place in his electorate, he will tell the farmers the trouble which will result from the inclusion of farm labourers in this Bill, and will follow up that statement by painting a picture of the dreadful consequences which must be brought about by the inclusion of domestic servants. The honorable and learned member will then wink, and say to himself, "How I have gulled the whole lot of them." The honorable member for Robertson, lecturing recently in a country town, said that the Labour Party believed in breaking the marriage tie.

Mr. HENRY WILLIS.—He did not say that. Let the honorable member read my speech. He will find what I said in *Hansard*.

Mr. POYNTON.—The Prime Minister has said that he has the greatest admiration for trade unions, and believes that every man should be a member of a trade union.

Mr. REID.—I did not say that. I said that I would be, but I do not dictate to other men what they should do.

Mr. WEBSTER.—The right honorable gentleman laid down a law which others should follow.

Mr. REID.—No, I should not force any man to think with me.

Mr. POYNTON.—I understood the right honorable gentleman to lay down the principle that every man ought to be a member of a trade union.

Mr. REID.—I did not say that. I said that I would be a member of a trade union.

Mr. POYNTON.—The right honorable gentleman admitted that trade unions have done great work in the past.

Mr. REID.—There can be no doubt of it.

Mr. POYNTON.—The right honorable gentleman acknowledged the work they have done. The Prime Minister has expressed his great admiration of trades unions. He has acknowledged the good work they have done, and has said that he has no wish to do anything to injure them. I am not speaking in a captious spirit.

Mr. REID.—If the honorable member would not mind continuing his remarks to-morrow, I should like to report progress now.

Mr. POYNTON.—I shall be quite willing to resume my remarks to-morrow.

Progress reported.

SEA CARRIAGE OF GOODS BILL.

Bill received from the Senate, and (on motion by Mr. REID) read a first time.

TRADE MARKS BILL.

Bill received from the Senate, and (on motion by Mr. REID) read a first time.

ADJOURNMENT.

CONCILIATION AND ARBITRATION BILL: STATE TAXATION OF FEDERAL AGENCIES.

Mr. REID (East Sydney—Minister of External Affairs).—I beg to move—

That the House do now adjourn.

I hope that we shall be able to come to a conclusion to-morrow on the matter which has been engaging our attention to-night.

Mr. DEAKIN (Ballarat).—I wish to invite the attention of the Ministry publicly, as I have on more than one occasion privately, to the gravity of the situation which is developing in regard to the Income Tax question in various States. I have no wish to take the right honorable gentleman by surprise in any way. I am well aware that he has given the matter serious and deliberate consideration; but it appears to me very urgent that some step should be taken before the session closes in order to deal with it. I propose, therefore, to call his attention to it again, with a view to his making a response of a considered character, on the rising of the House, either to-morrow or Friday, as may suit his convenience.

Mr. REID.—Hear, hear.

Question resolved in the affirmative.

House adjourned at 10.29 p.m.

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Senate.

Thursday, 1 December, 1904.

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

PETITION: IRREGULAR.

OFFICIAL SIGNATURE: ARCHBISHOP OF SYDNEY.

Senator Lt.-Col. GOULD (New South Wales).—I have here a petition from the Most Rev. the Archbishop of Sydney, praying that a clause be inserted in the Papua (British New Guinea) Bill prohibiting the importation of intoxicating drink from the Possession. I find, however, on reference to the Clerk, that exception is taken to the petition inasmuch as it does not include the surname of the Archbishop of Sydney. It is signed "W. S. Sydney" instead of "W. S. Smith, Metropolitan Archbishop of Sydney." As this petition comes from the head of the Church of England in Australia, according to the title by which he is recognised, I ask honorable senators to consent to so much of the Standing Orders being suspended as will enable the petition to be presented. I therefore move—

That so much of the Standing Orders be suspended as will allow a petition signed "W. S. Sydney" to be presented.

The PRESIDENT.—Perhaps I ought to explain to the Senate that the Clerk considered it to be his duty not to certify to this petition as being correct. The ground that he takes is that by our Standing Orders a petition must be signed by a person, and that this petition is signed with the name "Sydney"; there being no such person, "Sydney" being a title. In consequence of the decision given in the Colenso case, and in other cases, by the Privy Council, it has been understood that there are no Archbishops or Bishops in this Commonwealth, in the strict acceptance of those terms, there being no established church here. But it is a question for the Senate to decide whether the Standing Orders shall be suspended or not.

Senator TRENWITH (Victoria).—I would point out that, although there does not seem to be any great objection to the acceptance of this petition in itself, to suspend the Standing Orders would be to establish a precedent, which might be very unwise. This petition is irregular. It emanates from a very important person, and one for whom we have a very high regard. But we may have irregular petitions in the future from other persons, and the precedent of suspending the Standing Orders to enable irregular petitions to be received may lead to motions of this kind being made in future in connexion with petitions concerning which there is some doubt. I think it an unwise thing to do. Personally, I do not believe that any great harm will follow if the petition is not received. We all know that it is forwarded by this gentleman in a representative capacity, and, having that knowledge, full justice will be done even if the petition is not accepted.

Senator Lt.-Col. GOULD.—The only objection is that the petition is signed by the Archbishop, by his title as an Archbishop, instead of in his own name. In other respects, the petition is regular.

Senator McGREGOR (South Australia).—I hope that Senator Gould, out of regard for the Standing Orders, will withdraw this petition until it is properly presented. It is only in cases of very grave necessity that we should suspend the Standing Orders. That course is usually taken for the purpose of enabling the business of the country to be carried on more expeditiously. This petition will neither hasten nor delay the business of the country which is before Parliament at the present time. So far as concerns its influence upon members of the Senate, I think that every honorable senator knowing the circumstances will have just as much respect for the petition sought to be presented at the instance of the Archbishop as they would have if it were duly presented in a regular form. I therefore hope that Senator Gould will withdraw his motion.

Senator Sir JOSIAH SYMON (South Australia — Attorney-General). — I should like to point out to my honorable and learned friend, Senator Gould, that the petition—if I may refer to it as such, for the purposes of discussion—merely brings under the notice of the Senate a resolution passed by the Synod of the Church of England in Sydney. That resolution is conveyed to the notice of the Senate, and consideration will undoubtedly be given to it. It being within our knowledge that the resolution has been passed, it is not absolutely necessary that the petition should be formally received. With regard to the point raised by Senator McGregor, I confess that I entirely agree with him. We know perfectly well that no Bishops, in the sense of their having any territorial or dioce-

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jurisdiction, or having the right to use the name of their See, are recognised in the Commonwealth of Australia by our Government or by the Imperial authorities. They are recognised as "The Right Rev. So-and-so." It is as well to adhere to that position, or we may establish a regrettable precedent.

Senator DOBSON (Tasmania).—If the objection to receive this petition is simply that the document is signed by the Archbishop of Sydney with his usual signature, it is very ungracious. I can quite understand the Clerk not feeling himself bound to accept a petition so signed, and he has very properly referred it to the Senate. I have no fault to find with that. But if the Senate refuses to admit the petition because it is so signed, it will do a very ungracious act. The petition practically comes from and embodies a resolution of the Synod of the Church of England in New South Wales. If the Archbishop had thought that he was contravening our Standing Orders by signing the petition in this way, I have no doubt that he would have adopted another method.

Senator McGREGOR.—We all agree with the honorable senator in that.

Senator DOBSON.—Then, what ground is there for refusing to accept the petition? Why waste time in objecting to receive it? It appears to me to be an ungracious act altogether.

Senator PEARCE.—I rise to order. The honorable and learned senator says that an act of the Senate is an ungracious act. Is that remark in order?

The PRESIDENT.—There has been no act of the Senate yet. What I understood Senator Dobson to say was, that if the Senate refused to agree to the suspension of the Standing Orders, it would be an ungracious act. That is his own opinion.

Senator DOBSON.—It is only my opinion, and it is a parliamentary and a very mild way of expressing it. Despite all that has been said, I think that it will be a very ungracious act on the part of the Senate to refuse to accept the petition. I hope that we shall not introduce denominational considerations, and that the petition will be received.

Senator HIGGS (Queensland).—I am sure that the Archbishop of Sydney is too broad-minded a man to misinterpret the action of the Senate in upholding its Standing Orders. It may appear to be an ungracious thing on our part not to receive the petition; but I would ask honorable senators whether they would accept my signature as "W.G. Queensland," if I attached it in that form to any Bill passed by the Committee? In my opinion, the Senate is indebted to the Clerk of the Parliaments for calling our attention to the matter. I am sure that no harm will be done. The Attorney-General put the matter in a very proper form, when he informed Senator Gould that the attention of the Senate has been directed to the resolution carried by the Synod in Sydney.

Senator Sir JOSIAH SYMON.—Any one can quote the resolution in the debate.

Senator PULSFORD (New South Wales).—It appears to me that the Archbishop of Sydney has not signed this petition deliberately with the intention of contravening our Standing Orders. If he had been aware of what the Standing Orders provided, I feel sure that he would have signed it in accordance with them. It would be a wise and a gracious thing if we were to find some way out of this difficulty, it being understood that our action on this occasion should not constitute a precedent, and that the Senate desire that the Standing Orders as they exist shall in future be strictly observed.

Senator MULCAHY (Tasmania).—I hope that either Senator Gould will withdraw his motion for the suspension of the Standing Orders, or that the Senate will accept the motion unanimously. It seems to me that we are taking a very red-tapish course in this matter. We all know that the worthy clergyman who has signed this petition has signed it in his official capacity, and without any intention to bring himself into conflict with the Standing Orders. If we carry out the very letter of the Standing Orders, we shall be departing from the spirit of them. The Archbishop will no doubt have effected his purpose, whether we accept the petition or not; but it has to be remembered that the right of petition is always regarded as a very sacred one, and we should not therefore refuse to any person through any mere informality the right to put his case before the Senate. It must be remembered that the Papua Bill will probably be dealt with this evening, and if the petition is not presented to-day, the full effect of it may be lost. We ought to have it before us when the Bill is in Committee. If, however, the motion of Senator Gould is not to be accepted unani-

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mously, I hope that the honorable and learned senator will see his way clear to withdraw it.

Senator DE LARGIE (Western Australia).—Quite apart from the duty of upholding our Standing Orders, it appears to me that there is a constitutional reason why we cannot accept the petition in its present form. A little while ago, there was some agitation, and some bad blood arose, between the various religious organizations as to the precedence of their heads at social and political functions. The Senate should be very careful not to participate in anything of that kind. Our Constitution lays down the principle that all religions are equal in our eyes. I hold that, according to section 116 of the Constitution, if we were to accept the petition in its present form we should, to a certain extent, be defeating the object of the section, which says—

> The Commonwealth shall not make any law for establishing any religion, or for imposing any religious observance.

I hold that if we were to accept this petition containing the Archbishop's territorial signature—which, I understand, is the usual way in which archbishops and bishops sign documents, instead of using their Christian and surnames—we should, to a certain extent, be establishing a certain religious observance, and giving a precedence to this Archbishop to which he is not entitled. There can be no denying that we should be setting a precedent, and its having been established, the petitioner in this case would in future be entitled to address the Senate over the signature "W. S. Sydney."

Senator Lt.-Col. GOULD.—In the other House the signature was accepted.

Senator DE LARGIE.—If the Standing Orders of the House of Representatives permit such a petition to be received, it is not for us to interfere. We have to maintain our own Standing Orders. I hold that the constitutional reason is sufficient to justify us in rejecting the petition in its present form; but, at the same time, I do not believe that there is any honorable senator who has any objection whatever to the petition except on account of the manner in which it is signed.

Senator CLEMONS (Tasmania).—I cannot help saying that I very strongly dissent from and dislike what Senator de Largie has said. I am perfectly certain that the Archbishop of Sydney, who signed the petition, had not the faintest desire to establish any precedent for himself.

Senator DE LARGIE.—I did not say that he had.

Senator CLEMONS.—I believe the honorable senator said that if this precedent were established the Archbishop would say so and so.

Senator DE LARGIE.—I really cannot allow that argument to be attributed to me. What I said was that if we were to establish this precedent the Archbishop of Sydney would have a claim for its maintenance in the future. But I imputed no such idea to the Archbishop as that he desired to establish it.

Senator CLEMONS.—I accept Senator de Largie's explanation at once, and I am glad that he has made it. I erroneously understood him to say that the Archbishop was desirous of establishing this precedent. I am glad that he has had the opportunity to make an explanation. That explanation I unreservedly accept. I agree with Senator Mulcahy in urging on Senator Gould to withdraw the motion for the suspension of the Standing Orders. There is nothing more certain than that if the Archbishop had had the faintest idea that the adoption of his usual form of signature was not in accordance with the Standing Orders, he would have signed the document in another way; and no one more than the Archbishop must regret this debate, even so far as it has gone. Not merely for our own sakes, but for the sake of the Archbishop, I urge that the motion should be withdrawn, and the petition presented in another form.

Senator PEARCE (Western Australia).—I join in urging Senator Gould to withdraw the motion. That honorable senator must realize the awkward position in which he will place the Senate if a division be taken. The objection raised by the Clerk seems to be well-founded, and we ought not to be asked to give a vote which might be taken to be a reflection on the petition, and on the person who signed it.

Senator Lt.-Col. GOULD (New South Wales).—I made the request to the Senate for the suspension of the Standing Orders, in the belief that I could rely on the courtesy of honorable senators. I did not regard the motion as one which would cause any dissension, but, of course, when I find that a number of honorable senators are opposed to the suspension of

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the Standing Orders, I shall not insist on a division. It is well, if there is a desire to have the Standing Orders suspended for any specific purpose, that there should be the consent of the Senate as a whole. But really honorable senators are making a great deal too much of this matter. The Standing Orders simply provide that every petition shall bear a signature on the face of it; but now technical objection is taken to this gentleman being designated not by his surname, but by the name of his See.

Senator TRENWITH.—The Archbishop knew of this objection, because this is the second time his attention has been called to it.

Senator GUTHRIE.—The first time was eighteen months or two years ago.

Senator Lt.-Col. GOULD.—There was a petition which I had to present, and which I did not afterwards bring before the Senate.

Senator PEARCE.—That petition was returned to the Archbishop.

Senator TRENWITH.—Then it appears that Senator Gould also knew of this objection.

Senator Lt.-Col. GOULD.—I was perfectly well aware, when I spoke to the Clerk, that objection was raised, and I take the proper course of asking that the Standing Orders shall be suspended. Unfortunately the petition arrived during my absence last week, and I was unable then to present it.

Senator TRENWITH.—Of course I may be wrong, but I think Senator Gould knew that the Archbishop was aware of the objection.

Senator Lt.-Col. GOULD.—The petition could not be signed by anybody but the President of the Synod, and the petition is presented simply for the purpose of presenting to the Senate the following resolution:—

That in consequence of the disastrous effects of the liquor traffic among native races, the Most Reverend the President be requested to petition, on behalf of this Synod, both Houses of the Federal Legislature to enact the prohibition of the importation and sale of intoxicating drinks for beverage purposes in New Guinea when a Constitution Bill for that Territory shall come before either of those bodies.

In compliance with the resolution, the Archbishop forwarded this petition.

Senator DOBSON.—With his official signature, as President of the Synod.

Senator TRENWITH.—Which he knew was not in order.

Senator Lt.-Col. GOULD.—The Archbishop signed the petition in accordance with the position he occupies, and in a way in which it has been accepted by the other Chamber.

Senator TRENWITH.—That has nothing to do with us.

Senator Lt.-Col. GOULD.—The petition is signed in a way which would be accepted by the Parliament of New South Wales.

Senator TRENWITH.—But in a way which would not be accepted by the House of Commons.

Senator Lt.-Col. GOULD.—By statutory law in New South Wales, the Archbishop of Sydney is recognised as holding property, and in every other respect; and he had perfect justification for signing the petition in this way. If there has been any irregularity, I am, of course, bound to accept the responsibility. Even if there were only two or three honorable senators averse to the suspension of the Standing Orders, I should not be prepared to go to a division. I hope, however, that honorable senators will bear in mind that, if in the future, they should desire the Standing Orders to be suspended for their own convenience, they may find some little objection and difficulty raised. If honorable senators take up the position that the suspension of the Standing Orders shall be refused on all occasions, I am with them. I now ask leave to withdraw the motion, and I express my regret that it should have been submitted, and that I have been unable to obtain that courtesy which I expected.

Motion, by leave, withdrawn.

PAPERS.

Senator Sir JOSIAH SYMON laid upon the table the following paper:—

Provisional Regulations under the Defence Act 1903.—Amendment of the Financial and Allowance Regulations for the Naval Forces of the Commonwealth, 1904—Statutory Rules 1904, No. 72.

The CLERK laid upon the table the following paper:—

Return to order of the Senate of 10th November, 1904—Warrant and Non-commissioned Officers, Instructional Staffs—Reclassification of.

UNIFORM MARRIAGE LAWS.

Senator GUTHRIE.—I desire to ask the Attorney-General, without notice, whether the Government will next session introduce legislation with the object of bring-

ing about uniformity of the marriage laws within the Commonwealth?

Senator Sir JOSIAH SYMON.—I do not know whether the honorable senator ought not to have addressed this question to Senator Dobson.

Senator HIGGS.—Senator Dobson's proposal was to separate married couples.

Senator DOBSON.—There is a nice interjection!

Senator Sir JOSIAH SYMON.—I shall, however, take the matter into serious consideration, because, no doubt, uniformity is desirable.

KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY BILL.

Senator DOBSON.—I desire to ask the Attorney-General, without notice, whether the word "survey," used in the Kalgoorlie-Port Augusta Railway Survey Bill, means a flying survey, or a contractor's survey, with a view of deciding quantities, and all information necessary on which to call tenders, or a survey betwixt and between the two?

Senator Sir JOSIAH SYMON.—I shall explain all about the matter when I move the second reading of the Bill.

Senator DOBSON.—I should like the Attorney-General to give me the information now, if he can.

Senator Sir JOSIAH SYMON.—I am unable to give the honorable and learned senator the information.

BRITISH NEW GUINEA.

Debate resumed from 20th October (*vide* page 5827), on motion by Senator HIGGS—

That there be laid on the table of the Senate a *précis* of the statements made by Mr. John Renfrew Craig, of Samarai, in correspondence with the Government of British New Guinea, and with the Commonwealth Department of External Affairs, containing certain charges against the Executive Council of British New Guinea, and specific allegations with regard to the maladministration of the Government of British New Guinea.

Senator HIGGS (Queensland).—I think the Attorney-General was very severe on Mr. J. R. Craig when this motion was last before the Senate. The chief objection of the honorable and learned senator to having a *précis* made of Mr. Craig's statement, appeared to be that Mr. Craig had on various occasions applied for a position in the Commonwealth Service. The fact that Mr. Craig did not obtain such a position does not prove in any way that he is a man to whom the Attorney-General, or any other member of the Ministry, should not pay attention when he writes a number of intelligent letters, which, though not couched, in every case, in the language which the Attorney-General might use, contained very serious statements concerning the administration of New Guinea. My object in asking that a *précis* of this correspondence should be prepared was to make Members of the Federal Parliament better acquainted with New Guinea affairs, so that they might be better equipped for legislating in regard to the Possession. The Attorney-General has taken up a very strong attitude in opposition to the motion, and he appears to have a considerable number of supporters; and under the circumstances, I should like honorable senators to bear with me, while I give a short *précis* of some of the statements of Mr. Craig. In one of his letters that gentleman refers to certain atrocities, as he describes them, in the Louislade Archipelago. It appears that in those islands the custom is to allow the natives to obtain goods on credit, payment being demanded in gold. The accounts are kept, and if the natives fail to pay, they are charged exorbitant interest, and very harsh measures are used towards them. It appears that certain persons actually arrested natives for the non-payment of accounts, and tried them for the offence in the storekeeper's house. In one case, they actually imprisoned a native who failed to pay, 300 feet below the surface in a mine, and handcuffed to a truck, all night. It appears that this unfortunate native lost his reason, and for some three years he wandered about the island in a half-witted manner until death put an end to his unhappy condition. It would appear also that these people, unauthorized, ventured to administer a flogging to the natives because they failed to pay their accounts. Mr. Craig states that the only punishment that was ever inflicted upon persons guilty of these offences was to deprive one of the members of the firm of his commission as a justice of the peace and of his authority to "sign on" natives. Subsequent to the cancellation of his commission as a justice of the peace, this man continued to sign on boys for his own firm. The firm had some hundreds of natives employed, and they were signed for the period of three years, which was against the law, at a rate of wages of 1s. a month and rations. It appears, further, that they forcibly recruited natives, and sent them to places 200 miles from their homes to work for the firm. Mr. Craig,

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whose statements have been challenged by the Attorney-General, is borne out by one of the Government officials in an official report, which is to this effect—

At Sudest certain abuses are cropping up, the result of the objectionable system of giving goods on credit to the natives, which was introduced by these traders a few years ago. Perhaps, when gold was fairly plentiful and easy to obtain, matters went smoothly enough, but now, when the gold is worked out, these traders have awakened to the fact that they stand to lose a considerable sum if the native cannot meet his liability, and at times they adopt measures of an illegal character in the endeavour to urge the native to greater efforts in his search for gold. The traders who were indicated are Messrs. Mahony, Patrick Carby, and Mr. John Clyde Mahony, Justice of the Peace, a qualified officer for the Possession.

That is a statement by one of the New Guinea officials, and it appears to me to bear out the statements which have been made by Mr. Craig. With regard to another letter, in which Mr. Craig refers to unjust judicial decisions in appeal cases from the Warden's Court, in reference to leasehold or dredging areas on the Yare and Mambare Rivers, in December, 1900, he is borne out by the late Mr. J. P. Cusack, secretary to the Amalgamated Miners. Mr. Craig says—

These leaseholds originally applied for by genuine practical miners were withheld by the magistracy, with the connivance of the Executive Council, until such time as members of the magistracy and of the corrupt Customs gang were able to lodge applications and communicate with southern brokers with a view to gigantic exploitation schemes.

Let me say here that I think Craig has made a very serious mistake in his own interest in using such language as "corrupt Customs gang," which I have just quoted. His letters would have had greater weight, as I have told him frequently, if he had not used this language. The statement above quoted appears to me to be borne out by the following extract from a letter written by Mr. J. P. Cusack, in May, 1904:—

It is strange and a painful fact that, although members of the New Guinea governing executive can get big estates around Port Moresby, and the deeds handed to them at once, we here on Woodlark gold-field—a field of some ten years' standing, and supposed to be regulated by the Queensland Mining Act—cannot get a homestead lease of an acre to build a hut on.

Senator Lt.-Col. NEILD.—That is extraordinary.

Senator HIGGS.—Mr. Craig has made a statement on the subject to the Department of External Affairs, and he also addressed a complaint to the Executive Council of New Guinea in regard to the matter. I find that his statements are borne out, to a considerable extent, by individuals, and by correspondence.

Senator DRAKE.—Is the honorable senator going to give any corroboration of these statements?

Senator HIGGS.—I propose to give the name of one of the miners in New Guinea, later. With regard to the Woodlark decisions, Mr. Craig says—

After many Warden's Court cases, appeals were made to the Central Court of the Possession, and a date set for hearing. Legal counsel, costing over £500, was secured from Townsville, but the corrupt gang "influenced" or "worked" the Executive Council—

Here, again, Mr. Craig indulges in extreme language, to which the Senate is not accustomed—

so that the Central Court heard and decided the appeal cases before the date set for hearing, handing over the leaseholds to the corrupt gang. At a meeting of the Executive Council held that same evening on board the *Merrie England*, an appeal against this iniquitous proceeding was presented to the Lieutenant-Governor in Council, but the same was never acknowledged, and the unjust decision still remains in force.

Senator DRAKE.—By whom was the appeal presented?

Senator HIGGS.—I have no names in this case. This is one of the general paragraphs, but I now come to particular instances. Mr. Craig states—

During the year 1899 a good deal of litigation took place in the Warden's Court, Woodlark, over certain mining leaseholds, which resulted in appeals being lodged and certain cases set for hearing by the Central Court. Some of these cases were as undernoted.

WEBSTER AND SOICH *V.* JOHNSTON AND ARBOUIN.

PRYKE AND FULLER *V.* JOHNSTON AND ARBOUIN.

These cases being heard in the Warden's Court, were decided by the Warden and two assessors in favour of Webster and Soich, and Pryke and Fuller, in which Johnston and Arbouin appealed to the Central Court; appeal was allowed, and to enable both parties time to arrange for legal counsel, the Warden stated that the case would not be heard before a certain date.

A number of the parties interested then left Woodlark Island for Queensland for the purpose of arranging the engagement of legal counsel.

The Chief Judicial Officer arrived at Woodlark in the absence of these men about six weeks before the date indicated by Warden for the hearing of the appeal cases. The Judge gave about an hour's notice that he was going to hear those appeals.

Mr. D. Pryke, as representing Webster and Soich and Pryke and Fuller, objected in Court to the appeals being heard, as Johnston and Arbouin had not complied with the Act, which states that notice shall be served on the other side within

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a certain period, which in this case had not been done, and the cases were, therefore, actually out of Court.

The Judge overruled this objection, and also affirmed that there was no appeal, absolutely refusing to hear evidence, nevertheless giving a decision upsetting the Warden's Court decision.

Mr. Pryke asked the Judge for an appeal to the Supreme Court of Queensland, which was refused, the Judge stating that there was no appeal from the Central Court. Mr. Pryke thereupon lodged a petition with the Executive Council, pointing out the unjustness of the decision of the Central Court, and requesting that the matter be reconsidered by the Executive Council. No official acknowledgment was ever received of such appeal, and the decision still remains in force.

Mr. Pryke was in Melbourne the other day, and he was asked to read that extract from Craig's correspondence. He did so, and attached to it this certificate—

Having read this statement, I can certify to the truth of the same.

(Sgd.) Daniel Pryke,
of Samarai, British New Guinea,
4th November, 1904.

J. C. Stewart,
Witness,
130 Grey-street, East Melbourne.

Senator Drake. — Is that Senator Stewart?

Senator HIGGS.—Yes. Senator Stewart witnessed Mr. Pryke's signature to that certificate. Now, with regard to the Customs cases, I propose to read an extract from Mr. Craig's correspondence, without giving the names. He writes—

Let us consider the notorious instance of August, 1902, as a specific instance typical of many other similar frauds during the previous four years.

In August, 1902, there was on the manifest of the s.s. *Moresby* the particular item consisting of 4,810 lbs. of trade tobacco. On one copy of the manifest to be lodged with the Customs, Mr. A., assisted by Mr. K., altered the figures to 2,810, thus evading the payment of duty upon 2,000 lbs. weight of trade tobacco, which, at 1s. 6d. per lb. duty, is equal to a sum of £150, evaded upon this one particular item alone.

A and K "fixed up" certain copies of invoices from head office to suit the manifest so "faked." These invoices they stamped with the Government stamp, feloniously secured through the connivance of M, and fixed up everything, as usual, "nicely"—fraudulently—in a similar manner to what they had done so frequently during the previous five years.

Senator Trenwith.—I rise to a point of order. In the interest of the Senate, I ask whether the honorable senator is in order in reading extracts from correspondence, which make grave charges of corruption in public affairs without giving names, and full particulars?

Senator McGregor. — The honorable senator desires that the papers shall be laid on the table, so that we may have the names given.

Senator Trenwith.—The honorable senator is withholding names, while making statements, which, if proved, reveal a dreadful state of corruption in New Guinea.

The PRESIDENT.—I do not think that I can rule the reading of the document out of order. Honorable senators must take the responsibility of making these statements.

Senator Trenwith.—But should not names be given when charges are made?

The PRESIDENT.—They should lay upon the table any document from which they quote, if that is required. If I understand Senator Trenwith aright, the honorable senator desires that this document shall be laid upon the table, and it therefore should be.

Senator HIGGS.—I am quite willing to lay the paper upon the table.

Senator Lt.-Col. Neild.—Standing order 350 says that a document quoted from by an honorable senator not a Minister of the Crown, may be ordered by the Senate to be laid upon the table. I submit that there will have to be a vote taken as to whether this paper should be laid upon the table.

The PRESIDENT.—Such order may be made without notice immediately after the conclusion of the speech in which the document is quoted.

Senator HIGGS.—The quotation continues—

There were several items on that particular manifest fraudulently manipulated in a similar manner, and the total amount of the evasion of duty amounted to a sum of about £700. Of that sum about £100 was allowed to remain to the credit of a certain company to swell their profits, while about £600 was divided or shared out among various persons.

Senator Sir Josiah Symon.—Does the honorable senator think it is fair to read all this correspondence, when the motion is for a *précis* of it?

Senator HIGGS.—The honorable and learned senator took such strong objection to a *précis* being prepared that he rendered it absolutely necessary for me to give some extracts from the correspondence, in order to show honorable senators how grave were the statements made concerning the administration of affairs in New Guinea.

Senator Sir Josiah Symon.—If the honorable senator believes that, why should he not make direct charges, and deal with them in that way?

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Senator HIGGS.—Mr. Craig says he is perfectly willing to make charges.

Senator Sir JOSIAH SYMON.—Will the honorable senator take the responsibility of making them?

Senator HIGGS.—Why should I be asked to take that responsibility?

Senator Sir JOSIAH SYMON.—Because they are being made in the Senate. Let Mr. Craig make them in a court of law.

Senator MCGREGOR.—Why should he go to the expense when it is a public matter?

Senator Sir JOSIAH SYMON.—He went to the expense before, and backed out of it.

Senator GIVENS.—No.

Senator Sir JOSIAH SYMON.—That is what the documents show.

The PRESIDENT.—Order.

Senator HIGGS.—Mr. Craig has told the Department of External Affairs how the fraud on the Customs was arranged by certain individuals, and I should like a *précis* to be made, in order that honorable senators may be able to say whether action ought to be taken, or whether the Government should be asked if any action has been taken.

Senator Sir JOSIAH SYMON.—Since the honorable senator has a copy of the correspondence, why does he not make a *précis* and submit charges?

Senator HIGGS.—It is the duty of the Government, if they know of these things, to investigate them. The object of the *précis*, as has been stated frequently, is to get an inquiry into the administration of affairs in the island. Both the Prime Minister and the Attorney-General, I think, have refused to give an inquiry. If a question is asked about the treatment of the natives, the Prime Minister says he does not consider it necessary to appoint a special advocate for the natives, that a new Administrator has been appointed, and it is his duty to act for them. The same unsatisfactory reply is received to any inquiry concerning these other matters. I have had a conversation with at least one missionary from New Guinea, who tells me that the charges and statements made by Mr. Craig are matters of common report throughout the Possession. With reference to the Gibara raid of April, 1901, Mr. Craig says it is the case of a native, who was supposed to have stolen a box, containing gold, from a man named Woolfe—

A certain officer, with a posse of about twenty members of the armed native constabulary, took Sipilia and other prisoners with him to Milne Bay, and he specially invited several diggers to accompany him in a general raid upon the peaceful natives. During the three days' duration of the Gibara raid, Sipilia was led about in irons under the charge of the chief warder, Tauakina. The gold was not recovered, and there was no charge whatever against Sipilia, but he was hated intensely by Symons and certain diggers as being a missionary spy. The officer arranged with four white men that they should execute Sipilia. He instructed Tauakina to hand Sipilia over to the four white men, instructing them if the boy did not find the gold to "remove" him. The four men led Sipilia further into the bush, knocked the irons off him, so as to leave no mark of identification, and shot him dead without any legal form of trial whatever.

I do not propose to go any further into Mr. Craig's correspondence. I think I have read sufficient to show the Attorney-General that if he eliminates from Mr. Craig's letter all his extravagant epithets, he will find a sufficient basis of serious statements to induce the Government to have an investigation made into the charges contained therein.

Senator Sir JOSIAH SYMON.—It would be like looking for a needle in a bundle of hay.

Senator HIGGS.—The honorable and learned senator complains of the language used in the letters, but he should remember that men who lead a pioneering life of that kind are not always in the habit of using the language to be found in Shakespeare. They may be like certain bullock drivers mentioned in a humorous article written by a member of this Parliament. Concerning a certain gentleman, he wrote, "a finished orator, the bullock drivers repeat his phrases to this day." The Attorney-General should excuse the extravagant language of Mr. Craig, and not dismiss his statements because he is not as polite as he himself invariably is. The honorable and learned senator said that Mr. Craig had been charged with a very serious offence. He would not allow that Mr. Craig was innocent, because he said no verdict has been passed upon him. Mr. Craig claims that there has been no trial, and that the officials will not bring him to trial because they cannot prove his guilt.

Senator Lt.-Col. NEILD.—Is it that his guilt cannot be proved, or is it that he is guiltless?

Senator HIGGS.—Mr. Craig claims that he is perfectly innocent, and that the charges were made against him on account of his action in opposing certain officials in New Guinea. I propose to read a letter which the Rev. W. E. Bromilow wrote at

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Dabu on the 10th November, 1903, to Mr. Craig, who, it will be remembered, was charged with the murder of a native—

I have the honour to acknowledge the receipt of yours of 5th October ult., and to say in reply that—

1. You did not murder the native Tagege or Tagigi, is proved by the fact of his being returned to his home, and by his having signed on to another employer.

2. The forging of my signature to a labour document was simply a clerical error—you forgetting to put Sgd. before my name.

3. As to your recruiting, I do not know of any attempt on your part to evade the law. The natives always know that they can tell me if they do not want to sign. In a few cases they have told me—but not in yours. Certainly, all the boys signed on by you were perfectly willing to sign before they did so.

After perusing at Townsville Mr. Craig's letters of 9th September, 5th October, and 26th October, 1903, to the Department of External Affairs, Bishop Stone Wigg wrote to him on the 2nd February, 1904, in these terms—

I have read through your papers, and think that you make a *primâ facie* case for inquiry by the Federal authorities. I must say I hope a thorough inquiry will take place.

I admit that there is a very great deal of correspondence written by Mr. Craig. He has shown an extraordinary amount of perseverance in sending correspondence to the various Departments.

Senator Sir JOSIAH SYMON.—Altogether misdirected perseverance.

Senator HIGGS.—There may be a certain amount of misdirected zeal. Since he spoke to me about this matter at Townsville, in November last, I have repeatedly told Mr. Craig that he would get a great deal more consideration if he would refrain from using extravagant language. But that is no reason why his statements should be dismissed as unworthy of credence. The Attorney-General could instruct one of his officers to make a short *précis*; it may be as short as the Government wish, so long as it will give honorable senators an idea of the maladministration in the Possession. Mr. Craig points out that, through Customs leakages, a great deal of revenue is lost. Because he has happened to apply for a position in the Public Service of the Commonwealth, and has not succeeded, surely that is no reason why we should refuse to listen to the statements he is prepared to make. I understand that he is willing to make an affidavit concerning a great number of the charges he has made, and he claims that other charges can be substantiated by witnesses who are either in the Possession or in the Commonwealth. I hope the motion will be carried.

Question put. The Senate divided.

Ayes	15
Noes	16
Majority	1

AYES.

Croft, J. W.	Pearce, G. F.
Findley, E.	Stewart, J. C.
Givens, T.	Story, W. H.
Guthrie, R. S.	Styles, J.
Henderson, G.	Trenwith, W. A.
Higgs, W. G.	Turley, H.
McGregor, G.	*Teller:*
Neild, J. C.	de Largie, H.

NOES.

Baker, Sir R. C.	Playford, T.
Drake, J. G.	Pulsford, E.
Fraser, S.	Smith, M. S. C.
Gould, A. J.	Symon, Sir J. H.
Gray, J. P.	Walker, J. T.
Keating, J. H.	Zeal, Sir W. A.
Macfarlane, J.	
Matheson, A. P.	*Teller:*
Mulcahy, E.	Clemons, J. S.

Question so resolved in the negative.

NEW HEBRIDES: REBATE OF DUTIES.

Senator STANIFORTH SMITH (Western Australia).—In view of the amount of business on the notice-paper, I ask that the order of the day for the resumption of the debate on the motion standing in my name, with reference to the rebate of duties on natural products grown in the New Hebrides, be read and discharged.

Order of the day read and discharged.

SELECT COMMITTEE: CASE OF MAJOR CARROLL.

Debate resumed from 24th November (*vide* page 7390), on motion by Senator HIGGS—

That the report of the Select Committee appointed to inquire into the case of Major J. W. M. Carroll be adopted.

Senator DRAKE (Queensland—Vice-President of the Executive Council).—When my remarks were terminated last week, I was about to refer to some of the evidence given as to the qualifications of Major Carroll as a military officer. But before I proceed to discuss that point, I desire to make one or two remarks in addition to what I said upon two points in particular, because there seems to be some dissent from my criticisms. First, with

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regard to the reasons advanced by Major-General Hutton for having selected Major Carroll for retrenchment, I stated that the real reason that had been stated by Major-General Hutton was that he was called upon to retrench, and that Major Carroll was an officer whose services could be dispensed with, with less detriment to the military service of the Commonwealth, than was the case with some other officers. The statement was challenged by my honorable friend, Senator Dawson. It is a very important matter, and, therefore, I need not apologize for referring to it again. Senator Dawson said that Major-General Hutton had not put that point forward as a reason. I intend to refer to certain passages in the evidence to show that he did put it forward as a reason. It is important, because it confirms the view which I take, and have previously expressed, that the statement, taken from the letter of the 14th November, did not constitute the reasons for the retrenchment of Major Carroll. I again refer honorable senators to the letter of the 14th November, and will show that that letter does not state that any of the statements made in it are reasons advanced by Major-General Hutton for the retrenchment of Major Carroll. The General Officer Commanding had been called upon in a private letter from the Minister of Defence, Sir John Forrest, to give him some particulars about Major Carroll, and in the last sentence the Minister says—

> Please, therefore, let me have good grounds for my actions in Carroll's and all other similar cases.

Major-General Hutton, in a private and confidential letter, dated the 14th November, 1902, wrote back—

> With reference to your note of the 12th inst., and Captain Carroll, the case is as follows :—

Then a little further down he says—

> Captain Carroll's history is as follows :—

It is under those two headings that all the statements appear which have been chopped up and alphabetized by the Select Committee. They appear in the course of the inquiry as statements lettered from A to something very far down in the alphabet. Honorable senators have been invited to take the view that these statements were reasons advanced by Major-General Hutton for the retrenchment of Major Carroll. But it is clear from the letter that they were not the reasons, and Major Carroll himself has never advanced the contention that they were.

Senator DE LARGIE.—What is the meaning attached to these reasons for breaking Major Carroll's military career?

Senator DRAKE.—Major Carroll having been retrenched, he went to see the Minister on the subject. The Minister wrote to Major-General Hutton, asking for particulars, and saying that he desired to have good grounds for his action "in Carroll's and all other similar cases." Major-General Hutton, in reply, gave the Minister the history of Major Carroll's case. It is quite a distortion of his letter to say that every passage in it contains a reason for the retrenchment of Major Carroll.

Senator FINDLEY.—The reasons given in the letter are, as a matter of fact, reasons why Major Carroll should be retrenched.

Senator DRAKE.—The facts of Major Carroll's case were known to the General Officer Commanding, and they no doubt were the facts upon which he came to the conclusion that the Major could be retrenched. But the statements in the letter were the reasons given by Major-General Hutton.

Senator FINDLEY.—Will the honorable and learned senator state what the reasons were?

Senator DRAKE.—I have given the reasons, but I am now replying to the assertion that what is contained in Major-General Hutton's letter of the 14th November were the reasons for the retrenchment. In a letter written by Major-General Hutton to Sir John Forrest on the 19th July he says—

> Further inquiry confirms me in the opinion I expressed to you in my letter of 14th November. The destruction of this officer's papers does not affect the case as it stands—inasmuch as his retrenchment was recommended on account of his being an officer, who, as compared with others, could most easily, and with less detriment, be spared from the Military Forces of the Commonwealth.

That is the reason advanced by the General Officer Commanding there, and also in the other passages.

Senator FINDLEY.—The General Officer Commanding advanced other reasons besides that.

Senator DRAKE.—Not reasons. If honorable senators look at the letter which was cut up by the Select Committee, and set out as statements of reasons, they will see that none of those are advanced as grounds for the retrenchment of Major Carroll.

Senator FINDLEY.—Why were the statements made?

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Senator DRAKE.—The General Officer Commanding was giving a history of the case to the Minister.

Senator DE LARGIE.—In order to have justification for the retrenchment of Major Carroll.

Senator DRAKE.—The General Officer Commanding was endeavouring to put the Minister in as good a position as he was in himself so far as information was concerned. The important point is that the reason given by Major-General Hutton was that he was called upon to retrench, and that he came to the conclusion that Major Carroll's services could, in his opinion, be spared with least detriment to the service. On page 33 of the evidence, Major-General Hutton is reported as stating, in a letter dated 16th September, 1903:—

> It became then a question of consideration which of the recently appointed officers could, with best advantage to the Commonwealth Military Forces, be retrenched. The choice rested between five or six officers who were appointed to the Queensland State Military Forces about the same time. I found that the claims of the following two officers were least worthy of consideration, and that their services could, from the information then at my disposal, without detriment, be dispensed with, namely, —— and Captain Carroll.

The officer whose name I have not mentioned was dispensed with altogether, but Captain Carroll was given employment elsewhere. In a Minute by the General Officer Commanding, dated 10th July, 1903, and reported on page 31 of the evidence, there is the following:—

> I do not propose to comment on Major Carroll's statement. The whole question is as to whether it was advisable to retain Captain and Honorary Major Carroll's services at the time the retrenchment was effected in 1902.

That, I submit, was the only reason that the General Officer Commanding should have been called upon to give. If the judgment of the General Officer Commanding was correct on the subject that one reason was amply sufficient.

Senator HIGGS.—He based his reason on the statement in the letter.

Senator DRAKE.—He does not say so, but, no doubt, he based his reason on the general knowledge he obtained from the sources at his disposal with regard to the incidents and particulars of Major Carroll's career. All the information he could get from his officers and elsewhere was used by him. And, as he says, he went into the facts fully in order to arrive at a decision. There is no doubt, however, that the reason he submitted to the Minister was the reason I quoted just now.

Senator HIGGS.—What is Senator Drake's opinion of some of the information given by officers to the General Officer Commanding?

Senator DRAKE.—I have run through the whole of the statements, and expressed my opinion regarding them, and I do not suppose that the honorable senator wishes me to deal with them *seriatim* once more. I do intend, however, once more to refer to one of the statements in view of the interjections—not generally improper interjections—which I heard when I was speaking on the last occasion. Before I pass from the present point, however, I wish to refer honorable senators to the evidence given by my late colleague, Sir John Forrest, who was then Minister of Defence. In the evidence of the right honorable gentleman, the following occurs:—

> 6287. Would that be prior to the 12th November, 1902, on which date you wrote to the General Officer Commanding the letter which appears on page 15 of the Minutes of Evidence?—I note that that is a private letter from me, but, in this instance, I have no objection to its being produced. The letter was not intended for any one but the General Officer Commanding, and it will be seen from the same page of the evidence that he wrote me a private and confidential letter in reply. Those letters should never have been produced. I do not say that as objecting to the production of the letters, but merely to intimate that they were not written with a view to publication.

It was that letter, written in order to give the Minister confidential information, that was divided up by the Committee and regarded as containing separate reasons advanced for the retrenchment of Major Carroll. This debate might go on for ever if we continued going over the same ground. But I desire to say a few words in regard to statement G, to which honorable senators opposite evidently attach a good deal of importance. That statement is to the effect that Major Carroll was appointed to the Queensland permanent staff after he had made himself useful to the then Premier, Sir Hugh Nelson, and it seems not only to have hurt the feelings of Major Carroll, but to have been taken rather to heart by some of the members of the Select Committee. Of course, it is admitted that there was no foundation for the statement that Sir Hugh Nelson had been approached in the matter, or had made the appointment. But, when speaking about the rumour which was undoubtedly current in Queensland at the time, and which was reproduced by the General Officer Commanding in his remarks —

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though he may have been in error as to details—I understood honorable senators opposite to say that there was no evidence that there had ever been any such rumour. I think it was Senator O'Keefe who said that nearly every witness in Queensland had been examined with a view to find out whether they had heard of the rumour. I think the honorable senator is wrong, because I went through the evidence, though certainly not word for word, and I found that the only officer who was asked the question was Lt.-Col. Thynne.

Senator O'KEEFE.—I was speaking of witnesses who were examined down here, but who had been in Queensland at one time or another.

Senator DRAKE.—I do not know what witnesses were examined down here and what witnesses were examined in other parts, but I think that in Queensland Lt.-Col. Thynne was the only one who was asked a question on this point.

Senator HIGGS.—There must have been half-a-dozen or more witnesses who were asked the question, and the majority said they had never heard the rumour.

Senator DRAKE.—I think there can be no doubt that there was a rumour to the effect. The position taken on behalf of the General Officer Commanding on this point has been challenged, and somewhat rudely challenged, by Senator Dawson, who made a most improper remark in connexion with statement G, and it is necessary for me to refer to one or two passages of the evidence on the point.

Senator FINDLEY.—Would the rumour be any justification for the General Officer Commanding repeating it?

Senator HIGGS. — The General Officer Commanding did not say it was a rumour, but repeated it as a statement of fact.

Senator DRAKE.—I shall quote what the General Officer Commanding said in his evidence. He was being asked at the time by the Minister what Major Carroll's qualifications were, and he replied that Major Carroll had served three years on probation in Queensland, and had not distinguished himself particularly. The General Officer Commanding went on to say that Major Carroll was afterwards re-appointed to the Permanent Staff, and it seemed almost necessary to account in some way for such an officer receiving an appointment of the kind. The General Officer Commanding would no doubt want to know the reason, and he would make inquiries, and in writing a private and confidential letter to the Minister he would, to the best of his memory, relate what had been told him by his officers.

Senator Lt.-Col. NEILD.—This is special pleading, which is not worthy of the Minister.

Senator DRAKE.—Why not?

Senator Lt.-Col. NEILD. — It is a laboured, manufactured suggestion.

Senator DRAKE.—It is nothing of the kind; it is what the General Officer Commanding himself said in his evidence.

Senator DE LARGIE.—The General Officer Commanding's statement was not upheld by one witness.

Senator DRAKE.—I shall quote what the witnesses said. The General Officer Commanding, in his written statement, which appears on page 33 of the evidence, stated—

It appeared that in February, 1899, Captain Carroll was appointed to the Permanent Staff of the Military Forces of Queensland. The reasons of the appointment were unknown, but it was stated to me that his appointment was made by the then Premier of Queensland, acting, probably, on representations of a favorable nature made in regard to this officer.

and so on. The following is an extract from the evidence on page 35—

356. Who is responsible for the statement that he "made himself useful to the then Premier of Queensland"?—The whole of the officers whom I consulted; but their impressions may have been wrong. I merely give the statement for what it is worth. It is the explanation which was offered for the return of Major Carroll to the Queensland Permanent Forces.

357. Amongst those officers you include Colonel Ricardo, Lt.-Col. Aytoun, and Lt.-Col. Plomer?—Yes, they were all in Brisbane at the time of my visit, and I have not the slightest doubt but that they will tell the Committee exactly the same thing as myself. There was no imputation that anything improper had occurred in the matter of his re-appointment.

Senator DE LARGIE.—Colonel Plomer was not in Queensland when Major Carroll was brought back from the old country.

Senator DRAKE.—Perhaps Colonel Plomer had not that information.

Senator HIGGS.—This is another of Major-General Hutton's reckless statements.

Senator DRAKE.—At question 373 Major-General Hutton was asked—

373. Then the statement that Major Carroll "made himself useful to the then Premier of Queensland" was advanced under a misapprehension?—It was made as the result of a mistaken impression which was conveyed to me. I have no means of gauging the qualifications of the majority of officers other than by relying upon the opinions of officers in whom I have confidence.

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Lt.-Col. Lyster, who is well known as an old Queensland officer, is thus reported, on page 161 of the evidence—

4038. Did you ever hear it stated that Major Carroll had made himself useful to Sir Hugh Nelson when in England?—I have heard it, but who said it, or where it was said, I do not know.

4039. Did you ever hear it said that he got his commission because he had made himself useful?—You mean the second appointment?

4040. I mean the appointment that is referred to here?—I have heard it said, but who said it, or whether since, or before, or at the time, I could not say.

4041. You cannot say whether it was in 1898, or later?—No.

4042. Was it a matter of common remark, or was it merely the expression of one individual's opinion?—That I could not say.

Senator DE LARGIE.—That is about the most we could get anywhere.

Senator DRAKE.—I think not.

Senator FINDLEY.—He was "sufficiently ambiguous," at any rate.

Senator DRAKE. — Senator Dawson seemed incredulous when I mentioned, from memory, that Major Selheim was one of the officers who had referred to this rumour. I find that on page 167, at question 4150, Major Selheim gave this evidence—

Did you ever hear any reason assigned for his being brought back to Queensland?—Yes, hearsay again—pure hearsay.

What was the reason assigned?—I heard that somebody who had influence had arranged for him to return.

Did you ever hear the name of Sir Hugh Nelson mentioned in this connexion?—Yes.

Was it common talk?—Yes, I have often heard it.

Senator FINDLEY.—By whom was he being examined?

Senator DRAKE.—By Captain Niesigh. Does that make any difference?

Senator FINDLEY.—I was struck by the way in which the questions are put.

Senator DRAKE.—Leading questions are quite usual throughout this evidence.

Senator DE LARGIE.—Major Selheim gave his evidence in a very straightforward manner.

Senator DRAKE.—He is an officer who holds a very high character, and who has been spoken highly of by Senator Dawson.

Senator HIGGS.—Leading questions were not usual with the members of the Committee, but with the General Officer Commanding's representative.

Senator DRAKE.—At question 4154, Major Selheim is asked—

Is it probable that you, among others, may have mentioned the rumour to the General Officer Commanding, when he was in Brisbane in 1002, and asked questions on the subject of Major Carroll?—Yes, I may have done so. Had I been asked, I should have told him just what I have told the Committee now, but I have no recollection of being asked.

Senator DE LARGIE.—That does not substantiate Major-General Hutton's statement. The witness said he did not remember being asked.

Senator DRAKE.—He says it was a mere rumour, and it is evident that there was a rumour of the kind in Brisbane at the time, and that is the statement which was made by Major-General Hutton.

Senator PLAYFORD.—Major-General Hutton could never have invented it.

Senator DRAKE.—A statement is made by Major-General Hutton, which we know was not verbally accurate, but he mentions the rumour as suggesting a reason for the appointment of Major Carroll to the permanent staff in 1899. I am merely showing that there was such a rumour, and it is easy to connect the two things. It is not necessary to bring any witness to say that he actually communicated to Major-General Hutton the statement referred to in the letter.

Senator HIGGS.—Is it fair to retrench a man on rumour?

Senator DRAKE.—The honorable senator harps on that point, but I say again that Major Carroll was not retrenched on rumour. This statement is included in a confidential document, which Sir John Forrest has said should never have been produced, and which was written in order to put the Minister in the position occupied by the officer who recommended the retrenchment. Major-General Hutton was called upon to retrench, and after he made inquiries of officers in Brisbane, he came to the conclusion that, in the circumstances, Major Carroll, with another, were the proper officers to be retrenched. I propose now to read evidence given by the same witness under examination in chief by the chairman at question 4196—

Where did you hear the rumour that Major Carroll had made himself useful to Sir Hugh Nelson?—I heard it at Head-quarters here.

Can you remember the name of any person who repeated the rumour to you?—I cannot say that I do. There is just the impression in my mind that I have heard it.

You have only an impression that you heard it?—No. I am positive that I heard it, but I cannot say from whom I heard it.

Did you attach any importance to the statement at the time?—No, I did not. It went in one ear and out the other.

If it were true that influence had been used, would it necessarily follow that it was corrupt or wrong influence?—No.

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It might have been a perfectly fair thing to do?—Yes. I am quite sure that nobody imputed any corrupt influence to Sir Hugh Nelson.

I now refer honorable senators to the evidence of Lt.-Col. Chauvel on the same subject. He was asked by the chairman, question 4352—

Did you ever hear that Major Carroll received an appointment in the Queensland Force because he made himself useful to the Premier of Queensland when in England?—I have heard that said.

Did you ever tell any one that Major Carroll had made himself useful to the Premier of Queensland?—Certainly not.

Did any one ever tell you that?—I have heard the rumour, but I cannot remember that any one specially told me of it.

Can you trace the rumour to any person?—No, not at this time; it is so long ago.

Did you hear it more than once?—I think so. I have heard it lately, but I do not remember how it cropped up.

Was your opinion of Major Carroll sought by any person in 1902, prior to the retrenchment?—I think not.

Senator FINDLEY.—It is marvellous that they should all recollect having been told it, whilst none of them can remember by whom.

Senator DRAKE.—Then we have the evidence of Dr. Thomson, the principal medical officer in Queensland.

Senator DE LARGIE.—He is a beauty.

Senator DRAKE.—He is a gentleman who occupies a very high position indeed in Queensland. He has given a very great deal of his time to military matters, and as a gentleman and a soldier his evidence is entitled to consideration.

Senator DE LARGIE.—He was the most unsatisfactory witness who came before the Committee.

Senator DRAKE.—He certainly cannot be said to have had any bias against Major Carroll, because he gives that gentleman a very high character indeed. He says that Major Carroll was in the habit of visiting at his house, and he evidently had a very high opinion of him. In answer to question 4534, he says—

Major Carroll has always been an abstemious, pure-living, clean-tongued man, and a gentleman in every sense of the word.

Senator HIGGS.—Yet Dr. Thomson went to head-quarters in Queensland to try to prevent Major Carroll from getting his appointment as adjutant in 1899.

Senator DRAKE.—That is so, and he gives as his reasons for doing so, that he thought that, physically, Major Carroll should not have been re-admitted to the service at that time.

Senator DE LARGIE.—Yet, he passed him to go to the South African war afterwards.

Senator Lt.-Col. NEILD.—He showered rose-leaves on him, and then stabbed him.

Senator DRAKE.—I am endeavouring to exclude from my remarks all matters, but those which are dealt with in statement G, to which some honorable senators apparently attach very great importance. This is the evidence given by Dr. Thomson at question 4612—

Have you ever heard anything which would justify the Committee in coming to the conclusion that it had been general conversation in Brisbane, that Major Carroll's return from England to an appointment on the Permanent Staff was due to the influence of Sir Hugh Nelson?—That was common talk; I have no evidence of it.

Mess-room talk?—Yes; that was the general impression.

By the Chairman.—Can you remember the name of one person who stated that Major Carroll had made himself useful to the Premier of Queensland?—I never heard that he had made himself useful.

What were the terms of the rumour you heard on the subject?—The yarn went about that during a visit Sir Hugh Nelson made to England, I think at the time of the second Jubilee, Major Carroll had seen him, and had used some influence with him with Sir Horace Tozer. General Gunter is dead, and I make no charge, far from it; but General Gunter told me certain things which led me to understand that the influence I refer to had been used to get him back, and it was impossible for him (General Gunter) to interfere.

By Senator de Largie.—Did he indicate the nature of the influence?—Yes, as I have told you. My memory is that both Sir Hugh Nelson's name and Sir Horace Tozer's name were mentioned in connexion with it.

By the Chairman.—Did you ever say to any one that Major Carroll had made himself useful to the Premier of Queensland?—Never. I never heard it suggested; and that he made himself useful to Sir Hugh Nelson, I never dreamt of.

You never said it?—No. I thought that simply as an old Queenslander he had gone to see Sir Hugh Nelson in London, and had pled his cause. I never associated the story with anything of that sort.

It must be perfectly clear, from the extract I have read, that there was a rumour to the effect stated at that time in Queensland, by way of accounting for an unexpected appointment. It will be remembered that Major Carroll, in his evidence, has said that when he received this appointment in London, he was never more surprised in his life.

Senator HIGGS.—It does not show that he was unfitted, because he did not expect the appointment.

Senator DRAKE.—No; he had made application for an appointment to the Permanent Staff, but when he heard of this

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appointment, he was very much surprised. Is it any wonder, therefore, that officers who had continued in the Queensland Defence Force all the time, and who were, perhaps, looking with longing eyes to a position of that kind, should be surprised at the appointment of Major Carroll, should have looked round for some reason for that appointment, and that the idea should get about, as I put it myself in speaking, that he had "a friend at court." That seems to me to be a reasonable explanation of the rumour. Major Carroll says that he did not use or attempt to use any political or other influence to secure the appointment. We may accept that statement without qualification, and agree that the appointment came to him in the way he has stated. But there is still left the almost unavoidable impression upon one's mind that there was some "friend at court," who was saying a good word for Major Carroll.

Senator HIGGS.—That shows the damaging effect of Major-General Hutton's letter.

Senator DRAKE.—The damaging effect of a private and confidential letter to the Minister?

Senator HIGGS.—All the more damaging because it was private and confidential.

Senator DRAKE.—Major-General Hutton merely stated the information he received from officers in Queensland, as accounting for the fact that Major Carroll, who had not greatly distinguished himself during his previous term of military service in Queensland, should have been appointed to a permanent position on the Queensland Staff.

Senator HIGGS.—The honorable and learned senator is ignoring Major Carroll's service with various corps in England.

Senator DRAKE.—It is evident that Major Carroll's service in England did not make any great impression upon the officers in Queensland.

Senator HIGGS.—He passed his examinations.

Senator DRAKE.—I shall say a word about that now, in consequence of a remark made by Senator Higgs, which was I think unfair to Colonel Plomer, and which was to the effect that a statement made by that officer that Major Carroll had never passed his lieutenant's artillery examination then, or at any time, was incorrect. I believe the honorable senator endeavoured to show that it must be incorrect on account of something which Colonel Plomer had himself said afterwards. It is a very curious thing that there should be all this dispute and doubt about such a matter. Major Carroll, in his evidence with regard to his examination, says that it has been twice denied that he passed his examination as captain. A matter of that kind should be so absolutely clear on the records that when we find that there is any doubt or dispute in connexion with it, we are justified in seeking for the reason for the doubt. If we do that, I think we shall find on the evidence that the statement in Colonel Plomer's letter, which Senator Higgs has characterized as untrue, is, strictly speaking and technically, correct. I have no desire in dealing with this matter to do any injustice whatever to Major Carroll. I have gone through the evidence very carefully, and have tried to arrive at a correct conclusion upon the subject. I find, on page 274, from Appendix 34, that this officer passed his examination for lieutenant in subjects A and B, and unless the practice has been considerably changed—and I do not think it can have been, because it is laid down in the regulations—I do not believe that includes any special examination in artillery. Subject A deals with regimental duties, and B with ordinary drill.

Senator HIGGS.—Why did not Colonel Plomer say that he had passed. Why should he conceal anything. He said that Major Carroll had not passed in artillery in Queensland, or in any other State. Why did he not state what Major Carroll had done if he wished to be fair?

Senator DRAKE.—I do not know in what connexion the statement was made. The fact is that Major Carroll afterwards, while in Queensland, passed part of the examination for captain. He then visited England, performed certain service there, and passed some examination before a Board of Officers in artillery. There is no doubt about that. But technically, Major Carroll had not then passed his examination, because the part of the examination he had gone through in Queensland, coupled with the examination he passed in England, did not constitute a "pass" under the Queensland Defence Act. That is shown by a letter from Major-General Owen, who was Commandant of Queensland at the time. I do not quote this letter as containing anything to the discredit of Major Carroll; but only in order to show that the statement by Colonel Plomer that he had not passed an artillery examination, is not to be set aside as an untruthful statement. On page 20, the following

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letter from Major-General John F. Owen, who was Commandant of the Queensland Defence Forces at the time, to the Chief Secretary, who was the head of the State Defence Department, will be found:—

Headquarters Queensland Defence Forces,
Brisbane, 9th February, 1892.

From the Commandant Queensland Defence Forces,

To the Honorable the Chief Secretary.

Sir,

With reference to the attached Lieut. Carroll (Unattached List Queensland Defence Force), formerly of the Permanent Force, passed here in all but subject B.

He has now passed before a Board of Officers of the Regular Army in England in this subject.

Though clause 32 of the Act does not meet this case (as he has not served as an officer in Her Majesty's Regular Army), nor is there any portion of our regulation which applies, yet, under the circumstances, you will probably approve the "passing" mentioned as equivalent to passing the less severe examination here.

Senator HIGGS.—"The less severe examination here."

Senator DRAKE.—I have said that this letter is not to the discredit of Major Carroll.

Senator HIGGS.—Why did not Colonel Plomer mention that?

Senator DRAKE.—Perhaps he would have done so if he had known of it.

Senator HIGGS.—He should have known of it.

Senator DRAKE.—Why?

Senator HIGGS.—Because he was told to search the records concerning this officer.

Senator DRAKE.—It was impossible to find out a thing of that sort. The letter proceeds—

If so, I will notify in general orders that Lieut. Carroll has passed the necessary examination as Captain.

I have the honour to be, Sir,
Your most obedient servant,
JOHN F. OWEN, Commandant Q.D.F.

Approved, S.W.G.—12/2/92.

That was approved, and no doubt Major Carroll was gazetted as having passed, but, strictly speaking, he had not passed, according to the requirements of the Queens land Defence Act.

Senator HIGGS.—That is refining too much.

Senator DRAKE.—The honorable senator had no right to characterize the statement made by Colonel Plomer as being untrue.

Senator HIGGS.—Colonel Plomer admitted that he was wrong in making that statement.

Senator DRAKE.—No; what he said was that if he had known that Major Carroll had been appointed as a captain he would have accepted that as evidence that he had passed.

Senator HIGGS.—"I should in fairness have mentioned it" is what he says.

Senator DRAKE.—He did not know of it at the time, and I am merely pointing out that it was not fair of the honorable senator to characterize Colonel Plomer's statement as being inaccurate. Holding the opinion that the one reason given for the retrenchment of Major Carroll is that he was the officer who could be spared with least detriment to the Force, I consider that the Committee appointed should have made inquiry to ascertain that. A Committee of the Senate is not the best possible tribunal to decide such a matter. I hold the opinion, which I expressed when the Committee was appointed, that a question of that kind should have been submitted to two or three military experts, who could decide the relative merits of Major Carroll and the five or six other officers whose names have been mentioned. The General Officer Commanding might have made a mistake, because we are all liable to errors of judgment, which are exposed by the light of information subsequently obtained. If the General Officer Commanding had made a mistake as to certain other officers, who could have been retrenched with less detriment to the service, a board of that kind would be able to find out the fact, and pass an authoritative opinion upon it, to which the Government would no doubt pay the highest respect. But this Committee, unfortunately, seems to have considered it to be its duty to inquire into certain charges against Major Carroll. In the course of the inquiry, as I have already pointed out, evidence was given in regard to other officers whose names were mentioned in comparison with Major Carroll, and as I have pointed out, Captain Niesigh was actually prevented from cross-examining Colonel Tom Price, on the ground, as stated by the Chairman, that Colonel Price, being an officer of great experience and ability, it was quite sufficient when he said that, in his opinion, the officers whom he named should have been retrenched before Major Carroll. I shall have to quote from the evidence of one or two officers, in order to show the military character of Major Carroll, and what his reputation was as an officer.

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Senator O'KEEFE.—The honorable and learned senator is making a very long speech.

Senator DRAKE.—I am doing so in justice to Major-General Hutton. I wish the Senate to know something about the subject.

Senator HIGGS.—Will the Government give us another day for the consideration of the motion?

Senator DRAKE.—The honorable senator can ask the Attorney-General about that. Other honorable senators will, no doubt, desire to follow me in the debate.

Senator O'KEEFE.—It seems that there will be no chance of having a division on the motion.

Senator DRAKE.—If the Committee think that anything I quote is not fair, or ought to be supplemented by other quotations, they can check me. Major-General Hutton said in his evidence that he had no means of judging the qualifications of the majority of the officers, other than by relying upon the opinion of officers in whom he had confidence.

Senator HIGGS.—Those other officers reported to the General Officer Commanding common rumours, like the Sir Hugh Nelson rumour. That was the stuff they gave him.

Senator DRAKE.—I will refer to the evidence of the officers whom, no doubt, Major-General Hutton consulted, and the Senate can judge for itself. Major Carroll was first of all attached to A Battery as a militia officer for the three years, from 1888 to 1891. The following is a letter written by Colonel Plomer to Colonel Hoad, the Chief Staff Officer. It is printed on page 34 of the evidence.—

With reference to your letter *re* Captain Carroll.

Captain Carroll's service in the Permanent Artillery was long before my time, but from confidential papers in my possession I can give you the following facts: He joined in January, 1888. In November, 1889, he was placed under arrest by the Commandant, Colonel French, on a complaint by Major De Voeux, D.A.A.G., regarding conduct towards him. A Court of Inquiry was held, and Colonel French withdrew the recommendation he had made to the Chief Secretary, that Acting-Lieutenant Carroll's appointment in the Permanent Artillery should be confirmed, and he never served in it except as a probationer. He, however, continued as a provisional Lieutenant, and I find from the records that on 3rd January, 1890, Major Grieve, R.A., commanding the Permanent Artillery, made a report to the Brigade Major that he was dissatisfied with the way in which Lieutenant Carroll, attached to the battery under his command, performed his duties, specifying one or two minor irregularities, and stating that he had had to find fault with him on several occasions. The matter was investigated, and Lieutenant Carroll was placed under open arrest (second occasion), and dealt with by the Commandant by written warning.

On the 2nd May, 1890, Captain Byron reported him for not promptly obeying a verbal order. For this he was reprimanded by the officer commanding the battery, Major Jackson. While I have been serving in Queensland, Lieutenant Carroll was for most of the time absent in South Africa, and while he was here he was Adjutant to an infantry regiment in the North. I had no fault to find with him during these two months. Colonel Byron, had he been here, would have been able to throw more light on his military capacity, but I do not think I am doing Captain Carroll any injustice in stating that, from conversations I have had with Colonel Byron, he had little opinion of him as a useful officer, and it was on this account, I have been always led to understand, that Lieutenant Carroll thought it preferable to return to England. This he did, and, as the correspondence regarding him in your office shows, he was for years absent from Queensland in England, and undoubtedly while there, he was attached at various times to various arms of the service. It was on this account, through his showing zeal, that he got a chance of again being employed. From the little I know of him, I am afraid I have not a high opinion of his capacity. Zeal may be all right, but we are not all favoured with the same amount of brains, and one must have some to make a Staff Officer of any use.

That seems a very severe statement, and I should, in fairness, mention that Colonel Plomer said in his evidence afterwards, that the idea which he intended to convey was not that Major Carroll was destitute of brains, but that he had not sufficient ability for a field officer. The point with regard to Major Carroll's three years' service in Queensland is referred to in the evidence Lt.-Col. Chauvel, at page 172 of the evidence, question 4307—

Did you ever hear from military officers that Major Carroll's services as a subaltern were unsatisfactory?—Yes, I heard it.

Did you hear it at that time, or in later years?—At that time, or shortly afterwards. I heard Colonel Byron speaking of him as unsatisfactory.

Did you hear the opinions of any other officers concerning Major Carroll at that time?—Yes, I heard Major Jackson speak of him.

What was Major Jackson's position?—He was then commanding the Queensland Permanent Artillery, which is now the R.A.A.

What was his opinion?—He had not very much of an opinion of Major Carroll's capacity as an officer. I think he liked him, but he did not think he was satisfactory as a subaltern.

On page 174, the same witness was asked—

In what light has Major Hooper represented Major Carroll to you?

He answered—

He has often spoken to me of Major Carroll as an unsatisfactory Adjutant—unsatisfactory in his methods of keeping accounts chiefly; but, at

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the same time, he has spoken of him as a very popular man with officers, and so on.

In other words, as a very nice fellow, but not a good soldier in his position?—Exactly.

The next witness, whose evidence I must refer to, is Major Deacon, because it was under Major Deacon that Major Carroll served in South Africa.

Senator DE LARGIE.—Not all the time.

Senator DRAKE.—For part of the time he was under Lt.-Col. Aytoun, but that officer was in Scotland at the time the Committee was inquiring, and, therefore, was not available as a witness. Major Deacon, and also Lt.-Col. Spencer Browne speak of Major Carroll's services under Lt.-Col. Aytoun.

Senator DE LARGIE.—Major Carroll got promotion under another officer in South Africa.

Senator DRAKE.—Promotion was served out all round to officers who were willing to stay in South Africa for a longer period. They were advanced a step in rank. Major Deacon went to South Africa in command of the first Queensland contingent, and his opinion of Major Carroll is given in question 509—

During that time, had you good opportunities of observing Major Carroll's movements and general conduct?—Yes; he was immediately under my command.

What was your experience of him as a military officer. What opinion did you form as to his military capacity?—He was perfectly useless to me. I am sorry to have to say it, but that is a fact.

That is in the capacity in which he was then acting?—Yes.

Or in any capacity?—Especially in that capacity.

What was his capacity?—He was the officer commanding what was known as F Company of the Fourth Queensland Imperial Bushmen.

You found that he was perfectly useless to you as a military officer?—Yes.

Then, at question 575, the same witness is examined as follows:—

What I desire to ascertain is the opinion entertained by Colonel Aytoun regarding Major Carroll. It is stated that in his report he recommended Major Carroll as quite satisfactory. Did Colonel Aytoun express any opinion to you?—Yes.

What did he say?—That Major Carroll really made him quite ill—that he did not know what to do with him.

Perhaps at this point I may refer to the evidence of Lt.-Col. Spencer Browne at page 206 of the evidence. It is fair to say that Lt.-Col. Spencer Browne holds a very high opinion of Major Carroll, and explains that the very strong feeling ·ressed against him by Lt.-Col. Aytoun was partly due to Lt.-Col. Aytoun's preference for Imperial officers as against Colonial officers. At question 5242 Lt.-Col. Spencer Browne is examined as follows:—

Did any one express disapproval to you of Major Carroll's conduct as a military officer?—Yes, Colonel Aytoun did.

What did he say?—Colonel Aytoun made an application for the appointment of an Imperial officer as Adjutant of the 4th Queensland Bushmen, and his remarks when he made that application were to the effect that Major Carroll could not handle the rough material he had in his contingent.

He speaks very highly of Major Carroll in respect of his bravery. The evidence goes on, at question 5295—

Do you think that Colonel Aytoun would carry his prejudice to such an extent as to do a deliberate injustice to Major Carroll, simply because he was not an Imperial officer?—I do not think that Colonel Aytoun was altogether satisfied with Major Carroll, but I do say that the condition of affairs in Colonel Aytoun's regiment was so very unsatisfactory that I think that, and his natural prejudice in favour of Imperial officers, led him to do what I considered to be a very considerable injustice to other officers of the regiment besides Major Carroll. I do not know that he did any special injustice to Major Carroll, because if he was not satisfied with him as adjutant, he was entitled to make a change.

Then, at question 5320—

I now ask you whether, in your own mind, you do not blame Major Carroll more than Colonel Aytoun for the condition of the horses in the contingent?—I do not. I certainly blame Major Carroll for it to a certain extent, and I do not blame either so much as my remarks appear to have led you to believe.

Senator DE LARGIE.—That refers to the bad saddles.

Senator DRAKE. — Lt.-Col. Spencer Browne, as I said before, speaks highly of Major Carroll, and cites his evidence in fairness to that gentleman, and as partly explaining Lt.-Col. Aytoun's feelings. It has been said that Lt.-Col. Aytoun gave a certificate as to the conduct of Major Carroll, when it was a question of his being granted a gratuity of £100, and that he stated that Major Carroll's services had been very satisfactory. But we have other evidence, which shows that Lt.-Col. Aytoun's opinion of Major Carroll was certainly adverse. Going back to the evidence of Major Deacon, at question 614 he is examined as follows:—

What report did you make to the General Officer Commanding when he consulted you at Cambooya?—The same report that I have made to you, namely, that Major Carroll was useless as an officer on active service.

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Then, at question 685, in connexion with Major Carroll's appointment to the command of a squadron—

Then he belonged to the regiment?—I was not quite sure about that. Major Carroll reported to me as having been on leave, and having re-joined the regiment. I told him I had no place for him, and that I did not want him, and he then said something about his being entitled to an appointment as second in command. I told him that the recommendation for that appointment rested with me, and that I certainly could not recommend him. In fact, it was not until two days after he reported to me that I took him on the strength of the regiment again. I think he rejoined on the 11th, and on the 13th he was posted to the command of the squadron.

How did you come to place him in command of a squadron?—The Officer Commanding my corps, Colonel Jefferies, told me that I had better find some place for him. I explained the position that I was in, and that I did not want Major Carroll. The reason I appointed him squadron leader was because, apart from myself, he was really the senior officer in the regiment.

At question 691—

You told the Committee that Colonel Gallway asked for an officer to do duty as Provost-Marshal, and that you nominated Major Carroll for the position, in order to get rid of him?—Yes; that was my object.

Whilst on active service, did you find that it was very much a case of every man for himself, and the devil take the hindmost. You got rid of an officer, and you let the other fellow who took him look after him?—Yes.

At question 698—

Did you feel on that occasion, or on other occasions, that the fact that Major Carroll was with you in a responsible position, either as Adjutant or as squadron leader, added to your responsibility?—Very much so.

Did you ever entrust him with independent responsibility in the nature of command?—Nothing further than that which was imposed upon him as a squadron leader.

At question 712—

Did Major Carroll himself apply to you for a recommendation to remain for further service?—He applied for further service, and the application was sent to me. I forwarded it to Colonel Adye, the A.A.C. for the Colonial Forces, at Pretoria.

At question 715—

Are you quite certain as to the accuracy of what you have just stated?—Yes.

. . . .

718. After returning to Queensland, had you anything to do with the vouchers or requisitions for the payment of the war gratuity—£100 per man?—I do not think I did. I think Colonel Aytoun dealt with that matter.

719. If you had been called upon to deal with that matter, I suppose that an officer would require to be very bad indeed—more than inefficient—to induce you to report so adversely as to prevent him from getting his £100?—Yes.

720. He would have to be a downright blackguard?—Yes, I only knew of one case in which the gratuity was refused.

721. In the ordinary way, when officers come off service, they feel very kindly towards one another, and would not go out of their way to prevent any man from getting his gratuity?—Certainly not.

The next witness, to whose evidence I must refer, is Brigadier-General Finn, who was Commandant of the Military Forces in New South Wales—

869. Did he cease to be an Instructional Officer in New South Wales at the end of 1892?—Yes.

870. What opinion did you form of Major Carroll as a military officer?—Only a fair opinion.

. . . .

879. What was the oral report you made to Major-General Hutton concerning Major Carroll between July and November, 1902?—That he was only a fair Instructional Officer, and that he had much to learn.

Then follows evidence as to alleged peculiarities.

Senator STYLES.—The honorable senator does not attach much importance to the evidence as to Major Carroll's alleged eccentricities?

Senator DRAKE.—No; and I am sorry the point was touched upon. The term "eccentric" is very elastic, and I do not attach blame to the officers who may not have used the word in the same sense that it was used by others.

Senator O'KEEFE.—I understand the honorable senator to say that he does not regard this alleged eccentricity as one of the reasons for Major Carroll's retrenchment?

Senator DRAKE.—Certainly not. Then we have the evidence of Major MacLagan, which has the same bearing as the evidence of Brigadier-General Finn, and in regard to the latter I fail to see any inconsistency.

1510. *Captain Niesigh.*—Have you any acquaintance with a confidential report by General Finn on Major Carroll?—I was present when one was read to him.

1511. Will you please look at Exhibit B25, and say whether you were present when that was read to him?—Yes.

1512. Was it read in the nature of an adverse report?—Yes, it was.

. . . .

1516. Amongst the general remarks on this Exhibit B25, I observe this private note—

"Fair" and "Moderate" cannot be accepted as satisfactory in regard to any qualifications in which an officer can improve himself by more attention to and study of his profession.

Would judgment and tact be included in those qualifications?—I think so.

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The next witness is Lt.-Col. Antill.

1200. Did you know Major Carroll as an officer of the Instructional Staff there?—Yes.

1201. Did he attend any course of instruction which you conducted?—He attended the first preliminary school to which I have referred.

1202. From what you saw of him there, were you able to form any opinion of his capacity and his ability, specially as an Instructional Staff Officer?—Certainly.

1203. Did you consider him a competent Instructional Staff Officer?—No; I did not.

1204. Could you say in what way he was deficient?—Generally speaking, either theoretically and practically, I do not consider Major Carroll a competent instructor.

1205. Do you say that he showed a lack of ability or knowledge?—Certainly. Particularly as regards Light Horse, the work upon which I am best able to form an opinion.

. . . .

1211. Did he strike you as an officer who, with the advantage of instruction, would be able to satisfactorily qualify for instructional purposes?—I do not think any amount of instruction would alter a man's disposition in this respect.

. . . .

1292. *By Senator O'Keefe.*—Do you know anything of Major Carroll's qualifications on active service?—Nothing whatever. I never met Major Carroll on active service.

1293. Have you heard discussions amongst officers in which they have stated their belief that Major Carroll was eccentric?—Yes, I have heard it generally said.

1294. Speaking from your actual knowledge of Major Carroll, and of all his qualifications, do you think there is any position in the Permanent Forces of the Commonwealth in which he would be of use as an officer?—No, I do not.

1295. You say that without qualification?—Without qualification, that is my candid opinion.

Senator O'KEEFE.—I notice that the honorable and learned senator has not read the evidence of any witnesses who are in favour of Major Carroll.

Senator DRAKE.—I think I have pretty well dealt with the witnesses referred to up to the present time.

Senator O'KEEFE.—But the honorable and learned senator has not dealt with the evidence in favour of Major Carroll to the same extent that he has dealt with other evidence.

Senator DRAKE.—I have dealt with the witnesses merely as they come in order.

Senator McGREGOR.—Is the honorable and learned senator "stone-walling"?

Senator O'KEEFE.—Is the honorable and learned senator going to read the whole of the evidence?

Senator DRAKE.—No. It is curious that one honorable senator should complain of my not reading enough, while another honorable senator suggests that I am "stone-walling."

Senator O'KEEFE.—If the evidence were read from one end to the other it would be fair, only no time would be given to the other side.

Senator Sir JOSIAH SYMON.—There will be time.

Senator O'KEEFE.—Will the Attorney-General promise that we shall have time?

Senator Sir JOSIAH SYMON.—I promise that I shall put my view.

Senator DRAKE.—The next evidence to which I desire to refer is on page 75—

1491. You stated that you thought that I was below the standard of a militia officer?—No. I said that from my short experience of you I thought you were below the standard of other instructional staff officers.

1492. But had any of the other instructional staff officers done this new drill?—Yes, they were doing it at the same time.

1493. Had they ever done it before?—Not so far as I am aware.

1494. Then what makes you say that you think I was below the standard?—Because I think that you did not grasp it as quickly as they did.

I have already read the evidence referring to the report of Brigadier-General Finn, and now we come to Colonel Plomer, who was Instructional Commandant in Queensland at the time, and was, no doubt, one of the officers from whom the General Officer Commanding got his information—

1557. What did you say to him?—General Hutton asked me what I knew of Major Carroll, and I must have told him—in fact, I swear I told him—that from all I had heard I knew nothing very satisfactory of him.

1558. From all you have heard you knew nothing very satisfactory of him?— I am sure I must have told General Hutton that my knowledge of Major Carroll was gathered from responsible commanding officers.

1559. Can you give us the names of any of the responsible officers who gave you information about Major Carroll?—Colonel Aytoun, Colonel Ricardo, Colonel Lyster—in general terms.

1560. I am referring to the time General Hutton was in Queensland, when you went to meet him; can you remember any of the details of the verbal expressions which were expressed by Colonels Aytoun, Ricardo, or Lyster?—I can remember perfectly well what Colonel Aytoun said.

1561. What did Colonel Aytoun say?—I remember asking Colonel Aytoun what sort of officer Major Carroll was as Adjutant in South Africa. I knew at that time that Major Carroll had returned. Colonel Aytoun shrugged his shoulders, and said, "My dear Plomer, we all know poor Carroll." Colonel Aytoun never said anything against Major Carroll.

1562. What did Colonel Ricardo say?—Colonel Ricardo always gave me a general idea that Major Carroll was a somewhat eccentric officer, on whom one could not very well depend. I had never seen Major Carroll at that time.

Senator HIGGS.—Is Colonel Ricardo the officer who turned his contingent into policemen in South Africa?

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Senator DRAKE.—I am not aware that that was done; but, at any rate, it has nothing to do with this question.

Senator HIGGS.—It shows the value of the officer.

Senator DRAKE.—The evidence proceeds—

1565. So far, you have been giving us information as to what were the opinions furnished you by other persons; can you now give us your own experience of Major Carroll?—My experience of Major Carroll, personally, is very limited. When he came back from South Africa, some time about April or May, 1902, I must have seen him. I remember very well his coming to my office when I was A.A.G.; that was before he went to Charters Towers. I remember on one occasion trying to make him understand why at that time he was not a Major in Australia, and I had great difficulty in making him understand I did my best, but the Committee will understand that one does not wish to hurt any one's feelings by stating the reason which would be given ultimately. No one likes to be reduced in rank; but I tried to explain to him that he was a Captain in Australia, whatever he had been in South Africa. I must say that I quite failed to make him understand. Ultimately the honorary rank of Major was allowed by the Commonwealth to all officers who had served under similar circumstances. The opinion that I formed was that Major Carroll was extremely stupid. I could not understand how it was that I could not make an officer grasp so simple a position. Major Carroll then went north, and I must say that I never heard anything against him. I had very little dealings with him personally.

Senator STYLES.—Will the honorable and learned senator read a little further?

Senator DRAKE.—Certainly.

1566. Did you ever have occasion to find fault with Major Carroll?—Not myself.

1567. Were you the President of a Board in Brisbane appointed to consider the destruction of certain papers?—I was; but the Board was not to consider the destruction of certain papers; it was to go through a whole lot of papers.

But I have dealt with all this before.

Senator STLYES.—What I had in my mind was that Colonel Plomer had only had two days' experience with Major Carroll.

Senator DRAKE.—The honorable senator may be able to ascertain the fact for himself. The next evidence is as to the opinions expressed by officers during the three years in Queensland.

1628. You state, further, in your letter—

. . . "I find from the records that on the 3rd January, 1890, Major Grieve, R.A., commanding the Permanent Artillery, made a report to the Brigade Major that he was dissatisfied with the way in which Lieutenant Carroll, attached to the battery under his command, performed his duties." Is that so?—Those are almost the words of the report. I remember the words—"I am dissatisfied with the manner in which Lieut. Carroll performs his duties." The report went on to enumerate the delinquencies.

. . . .

1632. Did Major Grieve say why?—He gave specific instances in a report, which ought to be produced. I do not want to say anything worse than I need against an officer.

That seems to have been the feeling of most of the witnesses.

1633. As Commandant of the Commonwealth Forces in Queensland, did you receive any requests that you should forward a report to Headquarters or to the Defence Department?—Not to the Defence Department.

1634. These were papers and records connected with Major Carroll's case?—Yes; as regards his service, so far as I remember. I take it you want to know why that was not produced before.

1635. Quite so?—The real reason was that an officer does not want to say anything worse than he can help against an officer. Why take up what he had done in the Artillery? It was self-evident to the General; I have nothing to do with the civil side of the Defence Department. When we knew very well that his service had not been satisfactory, why rake up all manner of other irregularities?

. . . .

1659. However, I presume that whatever recommendation was made would be truthful?—Certainly.

1660. Then if Colonel Aytoun said that Major Carroll's conduct was quite satisfactory——?—His conduct, yes; that is different from capacity.

1661. Then for the purpose of getting a gratuity they make a statement that is misleading?—I do not think so. The officer is not asked as to the other officer's capacity. We were not asked at the end of the war whether an officer was capable, but whether he had done his best.

. . . .

1665. Am I to take it that there is nothing contradictory in the two statements?—Read like that there is, without knowledge of what they are. When Colonel Aytoun signed that statement in regard to Major Carroll's services at the end of the war, I know from my military experience that it was with the view of Major Carroll getting the gratuity.

1666. And you say, at the same time, that it is a truthful statement?—It was a truthful statement.

1667. Then it is true that Colonel Aytoun thought that Major Carroll was quite satisfactory?—That his conduct was quite satisfactory.

With reference to Major Hooper's report, I am sorry to say that, in my opinion, it was excluded by the Select Committee without good reason. Major Hooper was the officer commanding the Kennedy Regiment, of which Major Carroll was adjutant, and I propose to read the report which Major Hooper made.

Senator DE LARGIE.—Major Hooper would not swear to the report.

Senator DRAKE. — That matter has been discussed. If the Select Committee had only intimated that they desired Major Hooper as a witness he would have been brought down and his expenses would have been paid. The Select Committee, however,

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called upon Major Hooper to answer interrogatories, but they were advised by the Attorney-General of the Commonwealth that they had no power to make such a demand. The Select Committee went out of their way in, as it appears to me, a most unjustifiable manner, to exclude the evidence of Major Hooper.

Senator STYLES.—The General Officer Commanding could have directed Major Hooper to attend.

Senator DRAKE.—Captain Niesigh asked the Committee to say that they required Major Hooper, when he would have Major Hooper in attendance; and there is no doubt that the question of expenses would have been satisfactorily settled.

Senator STYLES.—The Select Committee did not know the evidence Major Hooper was going to give.

Senator DRAKE.—The Committee had seen the report which Major Hooper had prepared, and they were asked to intimate that they wanted to hear that officer.

Senator STYLES.—And to pay his expenses.

Senator DRAKE.—They were invited to ask Major Hooper to give evidence, when his expenses would have been paid. It is perfectly clear that if the Committee had said they wanted Major Hooper's evidence, Captain Niesigh would have undertaken that he would be present, and that the Department would pay the expenses. But as the Committee said they would not pay the expenses, the Minister of Defence said the Department would not pay. Other documentary evidence of a similar character was admitted, and I can see no possible reason why the Committee should have declined to take Major Hooper's report into consideration.

Senator STYLES.—It was unsworn.

Senator DRAKE.—There was any amount of unsworn documentary evidence admitted. This is the report—

Kissing Point Camp,
Townsville, 20th June, 1904.

From Major J. Hooper, Officer Commanding Kennedy Infantry Regiment, C.M.F., N.Q.
To the Commandant, C.M.F., Qld.

Sir,—

I have the honour to state, in reply to your letter of the 19th inst.:—

1. My experience of Major Carroll extended over the periods from December, 1899, to April, 1900, and from April, 1902, to June, 1902, Major Carroll having been adjutant of the Third (Kennedy) Regiment, Q.D.F., from December, 1899, to June, 1902, during a part of which period, viz., from April, 1900, to April, 1902, he was in South Africa.

At the time Major Carroll was appointed, the regiment was under the command of the late Lt.-Col. Blaxland, who was stationed at Townsville. The head-quarters of the regiment was at Charters Towers, where I lived, and where Major Carroll was stationed. I was then, and until June, 1900, second in command with the rank of Major, and commanded the regiment on all parades. In July, 1900, I was appointed to command the regiment. During the period from December, 1899, to April, 1900, and more particularly during the camp of continuous training at Kissing Point, in May, 1902, I had ample opportunities of observing Major Carroll.

2. As an instructor on parade Major Carroll was worse than worthless, because, owing to his want of knowledge of drill his orders always led to confusion, and eventually he was intrusted with the duty of forming up the regiment on parade only. He was a great enthusiast, and an advanced theorist, and his want of success was purely through his want of knowledge of detail.

3. As an administrative officer:

As Adjutant, Major Carroll was in command of the regimental band, and operated on the general and contingent banking accounts of the band; and as the staff banking accounts were in a Charters Towers bank, and the O.C. lived at Townsville, Major Carroll, for convenience, was instructed to operate on the staff banking accounts also. Major Carroll soon got the accounts in such a muddled state that he was ordered to take his cash books to Townsville, and one of the clerks in the District Staff Office had to be employed to unravel the tangled entries. The books were then taken away from Major Carroll, and the banking accounts transferred to a Townsville bank, so that the accounts might be kept under the immediate supervision of the O.C. In 1900, I had the accounts transferred back to a Charters Towers bank, but knowing Major Carroll's inability, I did not allow him to keep the cash books on his return to the regiment in April, 1902.

In June, 1902, I spent several hours trying to teach Major Carroll the method of making out the annual pay-sheets—one of the duties of the Adjutant—but he could not grasp the matter. In the end I had to take over the work, and Major Carroll, with my consent, paid a clerk (Mr. Oakey) to do the checking under my supervision. Major Carroll never was able to grasp the methods of making out the various returns, and so could not be trusted to check the returns when made out.

4. I consider Major Carroll was utterly incompetent to perform the duties of Adjutant.

He had very little tact in the management of men, owing to his want of judgment, and, consequently, I did not hand over the command of the band to him when he returned to the regiment in April, 1902.

As a private individual, Major Carroll was a gentleman, and was much liked by all who knew him.

The witness added—

Attached to that is the following minute by me, under same date:—

D.A.G. and C.S.O.,—

In accordance with your wire of A.39 of 18th inst., I called upon Major Hooper, Commanding Kennedy Infantry Regiment, for a statement regarding Major Carroll.

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When Major Carroll wished to go to South Africa in 1900, Major Hooper offered to do his work as Adjutant *without pay or allowance*, which would tend to show there is no personal bias on his part.
Townsville Camp.

Senator STYLES.—Major Hooper would not swear to his statement.

Senator DRAKE.—He was willing to appear before the Committee as a witness. He was a teacher in charge of the State school at Queenton, and he could not come down to Brisbane unless his expenses were paid.

Senator DE LARGIE.—The Committee had nothing to do with that.

Senator DRAKE.—He said that he had no wish to say anything adverse to Major Carroll, and he therefore would not make a statutory declaration unless the committee could compel him to do so.

Senator DE LARGIE.—Yet he did it in another way.

Senator DRAKE.—He was called upon to send in a report, and he had to do so, and I say that just as much importance should be attached to his military report as to any other military report embodied in this evidence.

Senator STYLES.—Could he not have embodied that report in an affidavit?

Senator O'KEEFE.—He was not on the Permanent Staff.

Senator DRAKE.—He is a militia officer. He receives pay according to the number of drills he attends, but he does not get a salary for giving all his time to the service.

Senator O'KEEFE.—He is not a volunteer.

Senator DRAKE.—No, he would not be called a volunteer; he is a militia officer. I do not wish to say anything further. I have pointed out before that Major Carroll, after being retrenched from the staff in Queensland, went down to New South Wales, and with regard to his service in that State we have the opinion of Brigadier-General Finn. In evidence very fairly given, and in no way personally directed against Major Carroll's character, but viewing him only as an instructional officer, Brigadier-General Finn said that he could not see his way to place him in any position in the Force in New South Wales. I have undertaken to speak on this subject with a very great deal of reluctance. I have no desire to say one word against Major Carroll, who, as all the witnesses have said, bears a very high character; but the evidence shows that the officers in Queensland to whom the General Officer Commanding could have applied for information, were almost unanimous in speaking against his capacity as a military officer. I have no wish to say anything detrimental with respect to the evidence given by the other officers examined in Queensland, but I think honorable senators will find that they were in no case officers under whom Major Carroll had served. I consider that very important. They were brother officers—militia and volunteer officers—and they gave the evidence which has been given by all the witnesses as to Major Carroll's high character as a gentleman. With regard to his military capacity, I do not think the same importance can be attached to the evidence of those officers in Queensland as would be attached to that of officers under whom Major Carroll served. It seems to me that if the Committee had to decide whether any injustice had been done to Major Carroll, what they should have inquired was whether Major-General Hutton, having been ordered to make retrenchment, made a mistake in recommending that Major Carroll should be retrenched rather than one of the other officers who have been named. As I have said before, I think that an injustice has been done to every one of the officers who have been named, because, while they have been mentioned as officers who should have been retrenched instead of Major Carroll, and the inference is allowed to be drawn that they were inferior to him in military capacity, they have not been allowed to give evidence on their own behalf, nor have other witnesses been given an opportunity to give evidence for them. In this respect, I think that an injustice has been done, not only to the officers whose names have been mentioned, but to the late General Officer Commanding, and to the Department.

Senator STYLES.—The honorable and learned senator must know that the Committee permitted Captain Niesigh to appear as the representative of Major-General Hutton, and of the Department, and he was at liberty to call whatever witnesses he pleased.

Senator DRAKE.—Surely it was not for him to call these five or six officers, or other witnesses to give evidence as to their qualifications. Senator Styles also forgets that Colonel Price was stopped when giving evidence under cross-examination with regard to two of these officers.

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Senator STYLES.—I was present, and the Committee had heard enough on the subject.

Senator DRAKE.—After Colonel Price had given evidence adverse to two of these officers, as compared with Major Carroll, Captain Niesigh was not allowed to cross-examine him in order to show the grounds on which he based his opinion.

Senator STYLES.—If the honorable and learned senator will look at the evidence, he will find that Colonel Price had already stated those grounds.

Senator DRAKE.—He was only allowed to go so far as to refer to one of them not having passed an examination in riding, and his cross-examination was prevented by the Committee. I have endeavoured to avoid giving the names of these officers, some of whom are personally known to me, and it seems to me entirely unfair that they should rest under such a stigma. If the instruction to retrench is to stand good, I point out that the re-instatement of Major Carroll, on the report of the Committee, must mean that one of these other officers must go. If so, would not that officer have exactly the same right to appeal to the Minister, and the same right to secure a Select Committee of the Senate to inquire into his claim? Where would such a thing end?

Senator STYLES.—He would if he could make out as good a case as did Major Carroll.

Senator DRAKE.—How could it be said that he could not make out a good case until there had been an inquiry. Does the honorable senator mean to tell me that it would be possible to carry on the military administration of the Commonwealth if every officer who felt himself aggrieved should have the right to call for the appointment of a Select Committee to collect a great volume of evidence bearing on his case.

Senator STYLES.—Yet the honorable and learned senator complains, because the Committee endeavoured to prevent Captain Niesigh repeating the same evidence over and over again.

Senator DRAKE.—What the Committee did was to stop Captain Niesigh's cross-examination of a particular witness. The instance to which I have referred is about the only instance in which evidence was stopped.

Senator DE LARGIE.—No, there are several such instances.

Senator DRAKE.—There are very few, and there is not another where such important evidence was refused. As soon as Captain Niesigh proposed to cross-examine Colonel Price, the chairman of the Committee gave his ruling that Colonel Price being an officer of great experience, and occupying a certain position, it was sufficient that he should express an opinion, and it should remain unquestioned. Why did not the Committee accord the same treatment to Major-General Hutton? I submit that Major-General Hutton carried out the duty cast upon him to the best of his ability and judgment, and before the Senate agrees to the recommendation of the Select Committee, which practically means reversing Major-General Hutton's decision, and upsetting his judgment, at least, the qualifications of other officers who have been compared with Major Carroll, should be inquired into. I submit that that can only be done by a committee of military experts. I hold that the evidence taken does not bear out the findings of the Committee on these separate statements. I submit that, on the whole, the statements made by Major-General Hutton in a private and confidential letter to the Minister are substantially well-founded and accurate, and that no injustice has been done to Major Carroll. There is nothing in the evidence to show that Major-General Hutton did not act in the fairest and most *bona fide* manner upon the information supplied to him by his officers. I contend that the judgment of the late General Officer Commanding, instead of being upset by the inquiry carried out by the Select Committee, has really been confirmed and justified by the evidence given before that Committee.

Senator Sir WILLIAM ZEAL (Victoria).—Listening to the evidence submitted in connexion with this case, it has appeared to me that a middle course should be adopted. The matter is, I think, one which can be best dealt with by a compromise, and I therefore move—

That the words "be adopted" be left out, with a view to insert in lieu thereof the following words—"having been duly considered, the Government be recommended to give that officer's case favorable consideration at the first convenient opportunity."

It seems to me that it is probable that Major Carroll will suffer wrong if an extreme course is pressed on his behalf. I submit to the friends of Major Carroll that the amendment I move will meet the

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case. It should rehabilitate him in his own estimation, and in that of the public. I suggest that the amendment should be adopted, so that the Government may favorably consider the case of Major Carroll, and I submit it for the consideration of the Senate, and in the interests of both parties, as a very reasonable, compromise.

Senator O'KEEFE (Tasmania).—As a member of the Select Committee that inquired into the case of Major Carroll, it is not my intention to detain the Senate at the same length as Senator Drake has done. In an extraordinarily long speech, which seemed to savour——

Senator Sir William Zeal.—The honorable senator had better not say anything about that.

Senator O'KEEFE.—I did not propose to say anything very severe, but it seemed to me that the honorable and learned senator's speech, perhaps unconsciously, was in the nature of a special plea for the Department, and, incidentally, for the late General Officer Commanding. I submit that it is probable that Senator Drake has been actuated to some extent by unconscious bias. The honorable and learned senator occupied the time of the Senate on last Thursday afternoon for two and a half hours, and again this afternoon for nearly the same length of time, and his arguments have been entirely devoted to those portions of the evidence which go to prove the case of Major-General Hutton. It has seemed to me that Senator Drake, as a representative of the Government in this Chamber, would have acted with more impartiality, if he had not taken that rather one-sided course. I impress upon honorable senators that this is a case in connexion with which there should be no party feeling. I believe that the members of the Select Committee, and those who think with them, in supporting the adoption of the report, will not be guided by party considerations. The Vice-President of the Executive Council has put the case for the other side almost as though the question had been one between two parties, and Major Carroll had been supported by one, whilst the General Officer Commanding and the Department had been supported by the other. The amendment moved by Senator Zeal is certainly worthy of consideration. I knew nothing of it until a moment or two before it was moved, but before honorable senators consider it, I wish to bring under their notice a matter which I consider of extreme importance. I may possibly take an extreme view, but whether my views are extreme or not, I intend to put them before the Senate as briefly as I can. The Attorney-General knows that some time ago he laid a document upon the table of the Senate, which is headed—

> Case of Major J. W. M. Carroll (Memorandum by Major-General Sir E. T. H. Hutton, K.C.M.G., C.B., in regard to report of Select Committee).

I submit that that report of Major-General Hutton, who was one of the parties to this case, submitted to the Senate while the case was still *sub judice*——

Senator Sir Josiah Symon.—He was not a party to the case; there are no parties to an investigation.

Senator O'KEEFE.—I am speaking of Major-General Hutton in his capacity as General Officer Commanding. If he was not personally a party to the case, certainly the Department was a party to it. The parties were the Department on the one hand, and Major Carroll on the other. It seems to me to be a distinct breach of privilege that any individual, being a party to a case, should be allowed, while the case is *sub judice*, to furnish a memorandum for the purpose of influencing the judgment of the Senate. It is all very well to say that objection should have been taken to the document at the time when it was laid upon the table. The answer is that frequently the Attorney-General lays papers upon the table, and we do not see them until we receive them by post the following morning. Very often they are entirely overlooked. The Senate, in its wisdom, appointed a Select Committee. That Committee represented the Senate itself. It took an enormous mass of evidence, and in pursuance of its duties furnished a report, which has been in the possession of the Senate for some weeks. While that report is under the consideration of the Senate, one of the parties to the case sends in a memorandum, putting his views before the Senate with respect to the evidence. I submit that the memorandum should never have been tabled while the case was *sub judice*. Let the Attorney-General suppose that a case was being heard in a Court of Justice. Suppose that both the parties had laid their case before the Court, and that, after that had been done, one party sent a document to the Judge emphasizing his own point of view. That is exactly what has happened in this case. The members of the Select Committee are responsible for this report.

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Senator Sir JOSIAH SYMON.—It is the Senate that is responsible for it, and is now considering it.

Senator O'KEEFE.—My contention is that the Attorney-General should never have tabled the document.

Senator Sir JOSIAH SYMON.—The honorable senator wants to shut the mouth of the man whose whole reputation is at stake.

Senator O'KEEFE.—Certainly not. How can it be said that the mouth of Major-General Hutton was shut when his private secretary was allowed to conduct his case before the Committee? Captain Niesigh conducted the case with marked ability—with, indeed, the ability of a professional advocate. Much has been said with regard to the fact that Major Hooper was not called.

Senator Sir JOSIAH SYMON.—Does not the honorable senator think that Major Hooper ought to have been called?

Senator O'KEEFE.—I could give many reasons on that point, which I think would carry just as much weight with the Senate as did Senator Drake's argument on the other side. But my contention is, that Major-General Hutton, through his private secretary, who represented him, took advantage of the most ample opportunities to call evidence. But, after both sides have been fully heard, it is simply a farce to allow one of the parties to come in with fresh comments. My complaint is that at this stage, one side is allowed to furnish a memorandum, practically bringing forward fresh evidence.

Senator Sir JOSIAH SYMON.—There is no fresh evidence.

Senator O'KEEFE.—There are fresh reasons.

Senator Sir JOSIAH SYMON.—The man whom the Committee wish to condemn is simply giving his view. The view of the other side has been put. If the Committee brings in a condemnatory report, it is only just that the party condemned should be heard.

Senator O'KEEFE.—Would the honorable and learned senator admit that it would be equally fair for the other party to the case to be allowed to go through the mass of evidence, to put his finger upon certain portions of it which bear in his favour, and to furnish a similar memorandum?

Senator Sir JOSIAH SYMON.—Certainly; why not?

Senator O'KEEFE.—Then how are we to attain finality?

Senator Sir JOSIAH SYMON.—We shall attain finality when the Senate comes to a decision.

Senator O'KEEFE.—I am satisfied that when the Senate considers the facts fairly, they will think as I do, that such a memorandum should never have been laid upon the table.

Senator Sir JOSIAH SYMON.—No one can have a higher opinion of the efforts of the Select Committee than I have.

Senator O'KEEFE.—If the honorable and learned senator were sitting on this side of the Chamber, his voice would be one of the loudest against this breach of the privileges of the Senate. Here, I may point out, that many of the arguments brought forward by Senator Drake are to be found in this memorandum. I am inclined to the opinion that Senator Drake has been somewhat influenced by it.

Senator DRAKE.—No.

Senator O'KEEFE.—It is singular that the honorable senator should have urged the same views of the facts as Captain Niesigh, the author of the memorandum, has done. One of the chief grievances brought forward in the memorandum is that Major Hooper was not called as a witness.

Senator DRAKE.—A very important matter, surely.

Senator O'KEEFE.—It has already been explained that if the late General Officer Commanding had desired to call Major Hooper, he could have been called.

Senator DRAKE.—But the then Minister of Defence would not pay his expenses down to Melbourne.

Senator O'KEEFE.—Why did Major Hooper refuse to make a declaration after he had stated that he would do so? The reasons are given in paragraph *e* of the memorandum, in which Major Hooper is quoted as saying—

I am unwilling to make any voluntary declaration—

How could it have been a voluntary declaration when he was pressed to make a sworn declaration by the Committee, and would not do so? A declaration made under pressure could not have been voluntary. He goes on—

because my evidence could not favour Carroll, and I do not wish to pose as his voluntary accuser.

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In paragraph *g* of the memorandum it is stated—

It will be seen that the Permanent Staff officers, who had Major Carroll under their notice in New South Wales, were unanimous in their condemnation of him as an Instructional Staff Officer, and their evidence is only met by that of certain volunteer officers of short service, and necessarily very limited relative knowledge.

I think that is rather a slur on the volunteer officers who gave evidence. Because their testimony did not happen to coincide with Major-General Hutton's opinion, he says that it is not worth very much, as they are volunteers.

Senator Sir JOSIAH SYMON.—He does not say that; he merely deals with the weight of their evidence on military questions.

Senator O'KEEFE.—But the chief grievance in this memorandum is that Major Hooper was not called. What is Major Hooper but a volunteer officer?

Senator DRAKE.—He is a militia officer.

Senator O'KEEFE.—A militia officer approximates more nearly to a volunteer than to a member of the Permanent Staff. Although it is a grievance that Major Hooper, a militia officer, was not called, we are told that the evidence of volunteer officers is that of persons of "necessarily very limited relative knowledge." I should like to know which is the higher authority—the Senate or an outsider in the person of Captain Niesigh? The Senate appointed the Select Committee, which has furnished a report; and now an attempt is made to influence the mind of the Senate by means of a purely one-sided statement, sent in after the report of the Committee was furnished. We shall turn our proceedings into a farce if this kind of thing can be done. I do not intend to enter upon an analysis of the evidence, though, as Senator Drake did so on the other side, I should be justified.

Senator DRAKE.—Senator Higgs did so from the Committee's point of view.

Senator O'KEEFE. — Senator Higgs merely gave a review of the evidence, so as to justify the report of the Committee.

Senator DRAKE.—I think the honorable senator is wrong.

Senator O'KEEFE.—Surely the Select Committee may be considered an impartial body?

Senator DRAKE.—But I take it that an honorable senator who does not agree with their findings is entitled to give his reasons?

Senator O'KEEFE.—Quite so. Senator Drake took up nearly the whole of last Thursday, and nearly the whole of the time allotted to private members' business to-day, and has rendered it impossible for those who take an opposite view, to deal adequately with the evidence.

Senator DRAKE.—I thought the honorable senator was dissatisfied because I did not read more evidence.

Senator O'KEEFE.—The honorable and learned senator misunderstood me. My feeling was that he was unduly dragging out his case. The honorable and learned senator gave all the evidence he could on the one side, and has occupied so much time that there does not now appear to be any prospect of arriving at a decision before Parliament prorogues. It would take an honorable senator another four hours to summarize the evidence against the arguments advanced by Senator Drake, who reduced the case to one of lawyer and client.

Senator DRAKE.—Rubbish!

Senator O'KEEFE.—The Department and the General Officer Commanding constituted the client, and the honorable and learned senator was the lawyer.

Senator Sir JOSIAH SYMON.—I thought that Senator Drake dealt with the matter with extreme impartiality.

Senator O'KEEFE.—The honorable and learned senator dealt with the matter at extreme length, and I may have been wrong, but I could not help thinking that he did not seem very anxious that the Senate should arrive at a decision. There should be some settlement, because it would be unfair to both sides if Parliament were to rise without finding for or against the report of the Committee. So anxious am I that there should be finality, that I am prepared to do myself the injustice of refraining from sifting the evidence, and laying before the Senate sound reasons in support of the recommendations submitted by the Select Committee. In common, I believe, with other members of that Committee, I am willing to accept the fullest responsibility for the report; and, further, we are prepared, even in the absence of any amendment, to accept the verdict of the Senate on the report as it stands. It is only fair, however, that the report of the Committee should be considered on its merits.

Senator Lt.-Col. NEILD.—And not on opinions expressed by Captain Niesigh.

Senator O'KEEFE.—A decision should not be arrived at on the one-sided statement submitted by Captain Niesigh and the

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General Officer Commanding after the completion of the evidence. The Senate ought to be guided by the evidence which was obtained in a proper way, and not by a memorandum, which should never have found its way into the Senate.

Senator Lt.-Col. NEILD.—That memorandum is a reflection on Parliament.

Senator O'KEEFE.—If Senator Zeal had not submitted an amendment, I had intended to deal at considerable length with the evidence, in order to show that the contentions of Senator Drake are unsound. I understand, however, that other honorable senators may have something to say, and, in the absence of any promise from the Attorney-General to grant Government time, this may be the last occasion on which we shall have an opportunity to discuss private members' business. I hope that honorable senators who have not yet made up their minds, will carefully read the report of the Select Committee, and arrive at a decision uninfluenced by the memorandum to which I have referred. I know that at least, two or three honorable senators, after hearing the arguments of Senator Drake and reading that memorandum, have gone away quite satisfied that the findings of the Select Committee are unsound. I recommend those honorable senators to read the report for themselves before coming to a final decision.

Senator STYLES (Victoria).—I should not have spoken but for the remarks of Senator Drake in regard to Major Hooper's report. I, with other members of the Select Committee, happened to be present when that matter was considered, and must know better than Senator Drake what occurred.

Senator DRAKE.—The proceedings were reported.

Senator STYLES.—Major Hooper desired to come down to give his sworn testimony, but, because both the Committee and the Department declined to pay his expenses, he refused to swear to his statements in Queensland. In order to save expense, the Select Committee journeyed 1,300 miles towards Major Hooper, and I was one of the members who took the trip. Even then Major Hooper would not come to Brisbane, although we were waiting for him; and I must say that the incident made a bad impression on my mind. Major Hooper had every opportunity to make an affidavit and send it down, and we refused to accept any unsworn statement. The Committee had decided that all witnesses should be sworn, and we did not see why an unsworn statement by Major Hooper or any one else should be admitted. I do not blame the General Officer Commanding for the course he took, but I think he was ill-advised. With other members of the Committee I had the advantage, not only of hearing, but of observing the demeanour of nearly every witness, and we all know what an advantage that is in estimating the value of testimony. In my opinion, the report of the Select Committee is amply justified. If ever I get into a difficulty with the military, I shall retain Captain Niesigh to prepare the brief and Senator Drake as my advocate. Had I been in Senator Drake's place, I should have done what he has done, namely, gone to Captain Niesigh, who was the man able to pick out the evidence favorable to the case presented by the Department.

Senator DRAKE.—The honorable senator is entirely mistaken; I did not go to Captain Niesigh.

Senator STYLES.—I merely say that if Senator Drake did so, he only did what most people would have done in similar circumstances; but, of course, I at once accept his denial. Unless I am compelled by the Senate, I shall decline ever to serve again on a military Select Committee. I have now served on two, and had the parties been allowed to call all the evidence they desired, I am afraid I should not have lived long enough to see the conclusion of the work. Senator Drake has commented on the refusal of the chairman to allow the cross-examination of Colonel Tom Price. As honorable senators know, Colonel Price does not mince matters, and he declared that he was never consulted as to which officer should be retrenched.

Senator PEARCE.—Was he Commandant at that time?

Senator STYLES.—Colonel Plomer was Commandant, and it was that officer who said that Major Carroll was stupid, or used words to that effect. Colonel Plomer, in his evidence, stated that he had known Major Carroll personally twenty-four hours, or forty-eight hours, or some such period, and that he was unable to make Major Carroll understand that while he might be a major in South Africa, he was only a captain in Australia. I suggested to Colonel Plomer that it might be his hazy method of communication which made it impossible

for Major Carroll to understand, and Colonel Plomer admitted that. Major Carroll was charged with being eccentric, and at one time it was even insinuated that he was a coward. At Brisbane, however, when the question was directly put, he was declared to be recklessly brave.

Senator DRAKE.—There is no insinuation that Major Carroll was a coward.

Senator STYLES. — It was suggested that Major Carroll was not fit to be a soldier because he had appeared in a "wild west" hat with a stockwhip round his waist; but we all do things in our youth which might be regarded as eccentric in our later years. Had I known that Senator Drake would have gone into details so deeply, and had I been in better health, I could have prepared a counterblast. I think I could have quoted the opinion of men who occupy much higher military positions than that of the schoolmaster in Northern Queensland—Major Hooper—who, I suppose, has never smelt powder except when opossum shooting. Many of the officers who returned from South Africa spoke in the highest terms of Major Carroll. I shall support the adoption of the report; but I am afraid that the next time I am asked to serve on a Select Committee of a like nature, there will be a vacancy in the Senate. I am certain that, had the Attorney-General been chairman of this Select Committee, much of the evidence would never have been permitted. The chairman, Senator Higgs, was most patient, and, in my opinion, allowed too much latitude to the witnesses. The position which Senator Higgs took up was that, unless the evidence was admitted, it would afterwards be said that the parties had not received fair play. Time after time I pointed out to that gentleman that the Committee were wasting time in hearing evidence which was absolutely useless; but I recognised that he was in a difficult position. A new charge has now been levelled by Senator Drake against the chairman of the Committee, but the honorable and learned senator cannot know as well as the members of the Committee what took place. Considering the cost which this Select Committee and the printing of the report and evidence have involved, it would, I think, have been much better to have, in the first instance, given Major Carroll £300 or £400 by way of compensation. The result, however, is that, whoever gets the "ha'pence," the members of the Select Committee are receiving the "kicks," for doing their duty to the best of their ability.

Senator DRAKE.—No, no!

Senator STYLES.—The attitude assumed by Senator Drake is undoubtedly a great reflection on the members of the Select Committee.

Senator DRAKE.—I merely went through the evidence.

Senator STYLES.—There is no doubt as to that; but I notice that many things which might have been said in favour of Major Carroll were omitted.

Senator DRAKE.—The honorable senator can say those things now.

Senator STYLES.—I am not blaming the honorable senator. He was a member of the Government who got into the difficulty, and, as a matter of course, he feels compelled to help the Government out.

Senator Sir JOSIAH SYMON.—Will Senator Styles mention anything in favour of Major Carroll which Senator Drake has omitted?

Senator STYLES.—I daresay that if I slept on the evidence, as Senator Drake has done, I could pick out a great many points which would surprise honorable senators.

Senator Lt.-Col. NEILD.—Especially if the honorable senator got a brief from Captain Niesigh.

Senator STYLES.—The suggestion in regard to Captain Niesigh has been withdrawn. That gentleman appeared in behalf of the Defence Department, and, so far as I can judge, he performed his duty right well.

Senator PEARCE (Western Australia).—Like Senator Styles, I have come to the conclusion that the Senate would do well in future to be wary about appointing a Select Committee on military subjects. I shall support Senator Zeal's amendment, which seems to offer a most satisfactory way out of the difficulty. We are asked to say not only that the General Officer Commanding should not have retired Major Carroll, but also that one of the other five officers named should have been retired. That is the difficulty which presents itself.

Senator O'KEEFE.—Not altogether.

Senator PEARCE.—I find myself in that position. It must be admitted that the other men have not been heard.

Senator STANIFORTH SMITH.—Is it not a fact that other men have been appointed to the service since, while Major Carroll has not been reinstated?

Senator PEARCE. — I know nothing about that. The Minister instructed Major-

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General Hutton that some officers must be retired. I take it that some had to be retired from the staff in Queensland, and the General Officer Commanding had to act on the information given him by his eyes and his ears—his subordinate officers. The information given him might have been utterly unreliable, it might have been tainted, and all that some honorable senators have said about it, but it was the information upon which the late General Officer Commanding acted.

Senator Sir JOSIAH SYMON.—There is no imputation of animus on the part of Major-General Hutton.

Senator STYLES.—No, certainly not.

Senator PEARCE.—No one has said that Major-General Hutton was actuated by any bias against Major Carroll.

Senator STANIFORTH SMITH.—He told Major Carroll that he would never get any more employment in his time.

Senator DRAKE.—That was after the retrenchment.

Senator PEARCE.—But let us say that he was biased, and what position shall we find ourselves in then. We shall still have no proof that the other officers to whom reference has been made are inferior to Major Carroll, and we shall be unable to say that they are until each of them has been given exactly the same opportunity as we have given Major Carroll to state his case. We have not heard these officers put their case. They have not been placed in a position to call witnesses as to their qualifications, or they might have been able to put before us as good a case as that put before us by Major Carroll. I say that Major Carroll has put before the Senate a good case. To my mind he has shown that he is a valuable officer, and that the Defence Force will be benefited by his reinstatement. I am asked if I have read the evidence. I have read the whole of it. With all respect, I feel that Senator O'Keefe has been a little unfair to the Vice-President of the Executive Council. Senator Higgs put Major Carroll's case before the Senate with great force.

Senator Sir JOSIAH SYMON.—As well as it could be put.

Senator PEARCE.—I believe so, and the honorable senator put it impartially as chairman of the Committee inquiring into the case; but the Committee's report reflects upon a Department for which the Government are responsible, and it is therefore the duty of a representative of the Government to put the case from the point of view of the Department. The Vice-President of the Executive Council has put the case for the Department. But this report is our property. We cannot complain that any one has referred only to special portions of the evidence, because we can read the whole of it. I am not bound to accept Senator Drake's dictum in this matter when I can study the report and the evidence for myself.

Senator O'KEEFE.—I should not have complained if we had time to put the case for the other side at the same length.

Senator PEARCE.—I have stated the difficulty in which I find myself. I am not in a position, even with the evidence and the Committee's report, to say that Major-General Hutton should not have retired Major Carroll, and should have retired one of the other officers. On the evidence I have to take up the position which is covered by Senator Zeal's amendment. I say that the evidence before the Committee discloses the fact that Major Carroll is a valuable officer, and that whatever may have been the reason for his retirement, if it is possible the Government should take into favorable consideration the advisability of re-engaging him. That is what the amendment provides for, and it seems to me that it suggests the only possible course for the Senate to adopt on the evidence which has been placed before them. I could not support the adoption of the report submitted by the Committee, but I can support Senator Zeal's amendment, and the motion submitted by Senator Higgs if it is so amended.

Senator GRAY (New South Wales).—I do not care to give a vote on this matter without stating my reasons. There is a great responsibility resting upon the Senate if it should decide to vote against the report of a Select Committee which, after going through all the toil and weariness of examining a great many witnesses, has come to a unanimous conclusion. I cannot say that, like Senator Pearce, I have read every word of the report and evidence submitted by the Select Committee, but I have read a great portion of it. I listened to the very able summary contained in the speech of Senator Higgs, and to the very able speech of the Vice-President of the Executive Council. Having heard those speeches, honorable senators must be very well informed of the evidence which was brought before

the Committee. I hold that if an officer in the Military Forces believes that he has been unjustly treated, and comes before the Senate for his defence, the evidence to be produced on his behalf should be of such a character as to make it clear, not only that an injustice has been done by his retirement, but that the Commonwealth Military Department would suffer from the lack of his services. Like some other honorable senators, I shall be very careful before I allow myself to be nominated to serve on a Select Committee dealing with military matters. I believe that the Senate should be absolutely the last resource for persons seeking justice in this way. All history and biography teach us that great military captains of all ages have complained that their military schemes have been more seriously retarded by the interference of persons without expert military knowledge than by anything else. In dealing with our Military Forces, we should be careful that no matter how popular a man may be he should not seek the defence of the Senate unless the case he submits is of such a character that it would be clearly detrimental to the military interests of the Commonwealth if it were not heard. After listening to the various statements which have been made, I have come to the conclusion that the services of Major Carroll have not been such that even his retirement would be detrimental to the Commonwealth Military Forces. Casting no reflection upon his gallantry and personal qualities, I feel that I must take the view of his military capacity which has been taken by the military experts who appeared before the Select Committee. I take it that Major-General Hutton would never have retired Major Carroll if he had not felt that it was his duty to do so, and that, as compared with other officers, who but for his retirement, would have had to be retired, Major Carroll was on no more than an equality with them from a military point of view. I regret that I should have to vote against the adoption of a unanimous report from a Select Committee, but I must do so in view of the importance which I attach to the *morale* of the Military Forces of the Commonwealth:

Question—That the words "be adopted" be left out—resolved in the affirmative.

Question—That the words "having been duly considered, the Government be recommended to give that officer's case favorable consideration on the first convenient opportunity," be added—put. The Senate divided.

Ayes	18
Noes	9
Majority	9

AYES.

Baker, Sir R. C.	O'Keefe, D. J.
Croft, J. W.	Smith, M. S. C.
Dawson, A.	Story, W. H.
de Largie, H.	Styles, J.
Findley, E.	Turley, H.
Henderson, G.	Walker, J. T.
Higgs, W. G.	Zeal, Sir W. A.
Macfarlane, J.	
McGregor, G.	*Teller:*
Neild, J. C.	Guthrie, R. S.

NOES.

Dobson, H.	Pulsford, E.
Drake, J. G.	Symon, Sir J. H.
Fraser, S.	Trenwith, W. A.
Gray, J. P.	*Teller:*
Playford, T.	Clemons, J. S.

PAIRS.

Givens, T.	Matheson, A. P.
Pearce, G. F.	Best, R. W.
Stewart, J. C.	Millen, E.

Question so resolved in the affirmative.

Amendment agreed to.

Original question, as amended, resolved in the affirmative.

DEFENCE BILL 1904.

Debate resumed from 30th November (*vide* page 7612), on motion by Senator Sir JOSIAH SYMON):

That the Bill be now read a second time.

Senator Lt.-Col. NEILD (New South Wales).—In rising to discuss the second reading of this Bill, I desire to say, in the first instance, that I am standing in rather a novel attitude in speaking as a supporter of the measure. Because when a year ago Senator Matheson made a proposal in favour of the establishment of a Council of Defence in connexion with the Defence Bill which we were then considering, I opposed the suggested innovation. I did so partly because the proposal then submitted was for a sort of semi-military semi-political council. It may be remembered that Senator Matheson proposed, amongst other things, that there should be members of both Houses of Parliament on his suggested Defence Committee. That was one of the reasons why I took exception to it. It did not seem to me to be a workable proposal. I have very seldom in my political career gone back on any attitude which I have taken up. I have generally gone forward. Possibly it may be considered that I am going forward now, rather than backward. But I wish to make

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it quite clear why I take up a totally different attitude to-night. My principal reason for opposing Senator Matheson's proposal a year ago was that the proposal for establishing a Council of Defence was at entire variance with the greater experience in respect of defence matters that is necessarily possessed by the Imperial authorities at the centre of the Empire. But having noted the immense changes that have been made in connexion with British defence by the establishment in Great Britain of a Council of Defence, and being aware that the old position of Commander-in-Chief — held latterly by that dear old soldier, beloved by the whole Empire, Lord Roberts, popularly known as "Bobs"—was to be abolished, and that Great Britain was to follow in military administration somewhat the lines that have obtained for many years in connexion with naval administration, I necessarily reconsidered the whole subject. I am free to say that I am not one of those who think that Australia has nothing to learn from the mother country. I think that we may learn a great deal from her. When I found that this momentous change had been made in the motherland, I necessarily began to consider whether a similar change might not have advantages for Australia. Amongst the advantages that occurred to me were those which were so fully submitted by the honorable and learned Attorney-General last night, namely, that a Council of Defence would provide for a greater continuity of method in the administration of defence matters than could possibly arise by having a constant succession of ever varying Commanders-in-Chief. If the Attorney-General had possessed as large a knowledge of military matters as he possesses of law, I am quite sure that he would have elaborated his argument to some little extent.

Senator McGregor.—He made a very good speech.

Senator Lt.-Col. NEILD.—I am not finding fault with the speech at all. I recognise the excellence of the honorable and learned gentleman's deliverance, particularly on this question of continuity of policy. But I propose to address myself at greater length than the honorable and learned senator did to the support of this very proposal. Before doing so, I think it is but just that I should place on record my very high appreciation of the moral courage and ability with which the late Minister of Defence, Senator Dawson, has drawn up and submitted to Parliament a proposal which I believe will very shortly become the law of the Commonwealth, and be possibly—with some few alterations that experience may prove to be necessary—the enduring defence law of the Commonwealth. With reference to this question of continuity of policy and method, I may remark that supposing we kept up the old system of command by a General Officer Commanding, we should never be likely to have a succession, or a regular supply, of officers, representing the same branch of the military service. And as long as we had officers representing various branches of the service coming here, we should be absolutely certain to have an ever varying policy, in some important respects at least.

Senator Dawson.—One General Officer Commanding might be a light horseman and the next an artilleryman.

Senator Lt.-Col. NEILD. — Exactly. The General Officer Commanding, who has just left us, was the one mounted rifleman General in the whole British service. There is not another officer that I know of who has occupied the same position as Sir Edward Hutton has done in connexion with mounted rifles or mounted infantry, as they are sometimes called. It is not possible for us to get another officer who would take exactly the same stand in connexion with that arm of the service as he did. If we were to seek to import another General Officer Commanding, we should possibly, as Senator Dawson just now observed, get an artilleryman or an infantryman; and I would point out, if we had an infantryman, what would almost inevitably be the first change he would make. We have in use in the Commonwealth at present an infantry drill that was designed by the late General Officer Commanding. It is unlike the infantry drill that obtains in any other part of the British Empire. If we were to have an infantry General as Commander-in-Chief in the course of the next twelve months, it is absolutely certain that the infantry drill of the Commonwealth would be entirely changed. The infantry drill to which I refer took a very long time to hammer out. It is a kind of bastard mounted drill; and it has the disadvantage that if the infantry of the Commonwealth were ever called upon to fight alongside other British troops in any part of the Empire, it would be impossible to work them together in brigade.

Senator Best.—Is it not suitable to Australian conditions? That is the chief point.

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Senator Lt.-Col. NEILD.—I am not proceeding to criticise the drill. I only want to point out how the policy may vary with a change of command. That is all. I am not finding fault with the drill. I am pointing out that the infantry drill that is now in use, designed by Major-General Hutton, in its formations, in its movements, and in its commands, is unlike the infantry drill of any other part of the Empire. It may be the best drill. It is quite possible that this drill is superior to that designed by the British Horse Guards, and signed by Field-Marshal Lord Roberts. Sometimes minor officers know more than their superiors, and possibly Major-General Hutton's ideas may be infinitely superior to those of his superiors. But the point is that if Major-General Hutton were to be succeeded by an Infantry General, this horse marine drill would be abolished, and the whole of the present system would be upset. On the other hand, the Council of Defence, which it is proposed to establish, may consider that it is such an excellent drill that they will keep it on.

Senator BEST.—Would the Council of Defence have to alter the drill if it were to be altered?

Senator Lt.-Col. NEILD.—I take it that the Council of Defence would have the entire administration of the Defence Forces. There would be a continuous policy. There is another question. Major-General Sir George French, who was senior officer in the Commonwealth for the first year after its establishment, had a very strong belief in the advisableness of regiments possessing what is known as review-order uniform—that is, a smart dress for special occasions, ceremonials, and so on. He strongly believed in the old red coat for ceremonial displays. Major-General Hutton, on the other hand, when he came along, was only too anxious to get rid of every scrap of scarlet in the Commonwealth. I am not discussing one General's opinion as against the other. I am stating cases which are opposed to the idea of continuity of policy. Major-General Hutton, I say, sought to get rid of every bit of red cloth in the Forces. That might be perfectly right. I am not questioning it. But the next General Officer Commanding, if we continued the old policy, which it is proposed to change, might be a man who held the same views as were held by Major-General Sir George French. He might want to have the red coats back again. In that event, it will be readily understood that there would be a useless expenditure of money. If we are going to change the clothing of our Forces every few years, according to the views of the General Officer Commanding, we shall have two things—first a very useless expenditure of money, and secondly, a very patchy appearance on the part of the troops. That was seen to be the case in Sydney at Major-General Hutton's farewell parade the other day, where the troops appeared in all possible odds and ends of uniform, because the clothing was not in proper order Rather an unusual order was given in connexion with the parade. The dress to be worn was not undress, or field service dress, or review order. It was to be "as prescribed"—or some such term analogous to that which we find so frequently in this Bill. The consequence was that everybody came in what clothing he possessed. One man might have a scarlet coat with a pair of khaki trousers; another man might have a khaki jacket with blue trousers. It was anything but satisfactory. That was due to the continuous changes; and the difficulty would be augmented if we were to have a constant change of commanding officers. There is a point which the Attorney-General did not discuss, and to which I propose to address myself. It is a much more important question than that of changes in drill and uniform. I refer to the apparent impossibility of the Commonwealth, even by offering an exorbitantly high salary, securing the services of the class of senior officer that we should have if we are going to put all our eggs in one basket—if we are going to have the whole of our Defence administration under one General Officer. I may remind honorable senators of the fact that for many months the Commonwealth Government busied itself in seeking to secure the services of a British General Officer, and was unsuccessful. The negotiations extended over fully nine months, and it was only at the end of that time that, failing to obtain the services of any one of the distinguished General Officers whom the Government were seeking, they eventually secured the services of a half-pay colonel. Because at the time the late General Officer Commanding was engaged for the command in Australia, he was, according to his own publication—the *Military Forces List* of the 1st September last—in the position of a half-pay colonel.

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Senator DAWSON.—He was a General by courtesy only.

Senator STANIFORTH SMITH.—At what salary?

Senator Lt.-Col. NEILD.—According to the *Army List* the salary of a half-pay colonel was 9s. per day.

Senator DE LARGIE.—And how much were we paying him?

Senator Lt.-Col. NEILD.—A salary of £2,500, and unlimited travelling expenses. In view of the rate of pay, the Commonwealth ought to be able to secure a most superior military officer, but, apparently, it could not be done. There are attractions in England and India which prevent our getting such an officer as we ought to have, if we are going to carry all our defence eggs in one basket. One of the reasons why I am supporting the appointment of a Council of Defence is, because its members will not be here to try experiments, but will maintain a continuous policy of management. In England the pay for a major-general on the Staff is £1,095; a colonel on the Staff gets £750; a major of brigade, which, apparently, was the highest appointment that the late General Officer Commanding ever held in England, gets £383 5s. per annum; but the colonel of a line regiment receives 18s. per day. This information is given in the *Army List*, at page 1168, and also in *Whittaker's Almanack*. With a Militia Force of about 44,000 men, Canada does not pay such munificent sums as are disbursed in Australia. It gives the British officer who commands there, only £800 a year.

Senator DAWSON.—Without a travelling allowance.

Senator Lt.-Col. NEILD.—I do not know what the travelling allowance is. I only know that the net emolument a few years ago was £800. When I was in London a few years ago, I had the friendship of a very distinguished officer—Lieut.-General Moncrieff, of the Guards. He had a long chat with me one afternoon as to the rates of pay in Australia as compared with Canada, where the Commander-in-Chief—General Burgoyne—was a personal friend of his own, and received a total emolument of £800 per year. When I mention that Major-General, now Sir George French, drew even more in the New South Wales command than Major-General Hutton has drawn in the Commonwealth command, because allowances of one kind and another brought up the former's emoluments to very nearly £2,700, it can be very readily understood how General Burgoyne's friend was taken back at the idea of a British colonel—local rank, major-general—drawing £2,600 or £2,700 for commanding about 10,000 troops, as compared with £800 for commanding 40,000 men in Canada. The Colonies and the Commonwealth have been magnificently liberal in their offer of emoluments to British soldiers.

Senator GUTHRIE.—Extravagant.

Senator Lt.-Col. NEILD.—That may be, but even with this lavish expenditure it seems that when we got our last commanding officer we got a gentleman who was really a colonel on the half-pay list, and had been so for a year and nine months.

Senator HIGGS.—The honorable senator wishes to suggest that he was on the unemployed list?

Senator Lt.-Col. NEILD.—A position on the half-pay list is, or should be, a position of honour. I do not know why it was, but Major-General Hutton seems to have had a faculty for getting on the half-pay list.

Senator DAWSON.—I think he has a faculty for getting on the full-pay list.

Senator BEST.—He was in Canada after he left New South Wales.

Senator Lt.-Col. NEILD.—If we cannot get general officers of experience as commanding general officers, rather than regimental commanders, it is desirable that we should have in the Council of Defence a continuing body that would undergo slight changes when, as the exigencies of political life required, the Minister would be changed from time to time. The Treasurer would be changed from time to time. Possibly some of the staff officers would also be changed from time to time, but still the Council of Defence, although some of its members retired, would remain a continuous body, like the Senate, but without any fear of a double dissolution. We have been depending on a gentleman from the other end of the world, and apparently the pay did not attract the sort of officer whom the Government sought to obtain two or three years ago, and there we run the risk of getting sooner or later an officer with more ambition than ability, with more eccentricity than solid knowledge, and with a desire to run fads of his own. That is one of the risks which the present system lays us open to. In this respect, let me recall an incident connected with the selection of an officer to command in one of the

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States. When the Prime Minister of the day was visiting the old country, he intimated to the Adjutant-General of the Forces, Sir Redvers Buller, that very likely on his return to Australia he would send him a wire, saying that he wanted a good officer sent out. In due course, the Prime Minister sent the wire, and a reply came back from Sir Redvers Buller, recommending a gentleman who was very far on in years, approaching seventy, I think, though some men are fairly young, even at that age. The Prime Minister thought the officer was far too old, and sent this wire:—"Must have a real live man." This reply came back from Sir Redvers Buller:—"Am sending you a real live devil."

Senator DAWSON.—Major-General Hutton.

Senator Lt.-Col. NEILD.—If the honorable senator knows the fact, I shall not contradict him.

Senator DAWSON.—It is in the records, anyhow.

Senator Lt.-Col. NEILD.—I do not say anything regarding Sir Redvers Buller's opinion of the officer he sent. But there is always the risk of getting an eccentric rather than a solid man with large military knowledge, who alone should hold the direction of the defences of Australia. Because, with the greatest respect for every layman who has occupied the position of Minister of Defence in the Commonwealth, or elsewhere in Australia, the Minister, as a layman, cannot be expected, unless in exceptional circumstances, to go against the recommendation of the Commander-in-Chief. There is a great risk of placing the whole defence of the Commonwealth in the hands of one individual, unless he be paramount in his profession. With the greatest possible respect for the colonial soldier, professional or amateur, I recognise the almost impossibility of his deriving a knowledge which would enable him to cope with the different branches of the military service, however excellent he might be in one. A colonial soldier might learn the duties of a cavalry leader, or an infantry leader, or a gunnery officer; but I fail to see how it is barely possible for one colonial soldier, or one man, unless he be eminent in his profession, to gather and use profitably a knowledge of the various arms of the service, and the varied branches of the Military Department.

Senator MCGREGOR.—We have only one in Australia.

Senator Lt.-Col. NEILD.—I hope there is one, though I do not know exactly where to find him. I am laying down the exact opposite proposition; I say that in my opinion, an officer may reasonably obtain in Australia a knowledge of one branch, though I do not say he can gain a knowledge of all branches sufficient to qualify him to assume the responsibility of undivided control. On the other hand, a Council of Defence involves the proposition that each of the leading branches of the service must be represented. Amongst the four or five officers who will constitute the military section, will necessarily be men who have been trained in the different branches of the profession. Their working together, and exchanging views and knowledge on matters in which they are experts, will give us a body much more likely to give satisfaction in developing the defences of the Commonwealth, than could be obtained by maintaining the practice of having a succession of British officers, who, however capable in their respective spheres, may not all be experienced in the various branches of the service.

Senator GUTHRIE.—Will not the Inspector-General have to be an expert in all branches?

Senator Lt.-Col. NEILD.—He ought to be. That question leads me to the remark that the officer who is destined for the position of Inspector-General, has had considerable experience as Adjutant-General in India, Burmah, and other places in the East, and has thus acquired an excellent insight into the duties he will have to discharge.

Senator DAWSON.—He has also had large colonial experience.

Senator Lt.-Col. NEILD.—That is so, and that experience is not without its merits. It is one thing to handle troops who are sworn in for years of service, and cannot help themselves—troops which may be bullied and brow-beaten to the heart's content of any officer—and it is another thing to handle colonials, who are of an entirely different class, and serve on a totally different footing.

Senator DAWSON.—They are not common "Tommy Atkins."

Senator Lt.-Col. NEILD.—They are not. Amongst the members of the Defence Forces of Australia are to be found men of good professional and social position, not only amongst the officers, but in the rank and file. In a regiment in New South Wales which I command, I have had the pleasure

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of having amongst the non-commissioned officers, and in the private ranks, men of high professional position and attainments who would be the last in the world to accept the discipline, so called, of officers who do not know how to treat them. As Senator Dawson says, a knowledge of Australian conditions is very necessary in an Inspector-General, and I do not think that the Council of Defence scheme could be launched under much happier auspices. There are many points which I might elaborate, but I think I have said sufficient to show my reasons for supporting the second reading. First of all, the Bill provides for the adoption of a similar method to that followed in the heart of the Empire; and, secondly, there are technical, or, if honorable senators like, professional or military reasons which appeal to me as a man of some little experience, who for many years has been an enthusiast on the subject of defence. I took a deep interest in the subject for years before I was personally connected with the Defence Forces; indeed, my interest dates from when, as a lad, I lived in New Zealand in the days of the war, and when the Civil Courts were closed, and, under the martial law which prevailed, one could scarcely turn a corner at night without being challenged by a sentry. With militarism in every direction, and the whole community practically a camp, I, perhaps, got into my blood some of those feelings and instincts which make a man a bit of a soldier.

Senator DE LARGIE.—A bit of a fire-eater, for instance.

Senator Lt.-Col. NEILD.—A bit of a fire-eater, if the honorable senator likes, but I hope a fire-eater with no bad temper.

Senator DAWSON.—Is it true, as has been suggested by the Attorney-General, that the honorable senator did "even time", as a "sprinter"?

Senator Lt.-Col. NEILD.—I never had occasion to run after the Attorney-General, nor he after me, so that I do not see how the observation is apposite. I am not in the habit of running away, if that is what Senator Dawson is suggesting. Having been for many years giving attention to defence matters, I naturally take great interest in the Bill now submitted, and in the wide departure that is proposed. Last night I suggested to the Attorney-General that clauses 5 and 6 might be omitted. Since then, however, I have had the pleasure of a chat with the Minister of Defence, and from the explanation given to me by him, I see that one of the clauses, at any rate, need not be contested in this Chamber. As to the other clause, I may possibly ask for an amendment, in order that the Bill may be more in consonance with the principal Act. This clause deals with a matter which was much discussed when the Defence Bill was before us. I hardly understand the reason for inserting such clauses in a Bill which deals with a large question of policy, and not with such little petty details as might be provided for in some other measure. This is a Bill to frame a new military constitution, and, in my opinion, it should not be burdened with comparatively unimportant regimental matters. That, of course, is only an expression of opinion, and may not be of much consequence. I feel quite sure that by my explanation, I shall have relieved honorable senators, who might otherwise wish to criticise my change of attitude, from the necessity of making any attack upon me.

Senator WALKER.—The honorable senator admits having changed his views?

Senator Lt.-Col. NEILD.—Certainly; and I have given my reasons at, perhaps, undue length. To put the matter briefly, I was first led to consider the change, by observing the method which has been adopted in the heart of the Empire; and then, having opened my mind, technical matters followed in train, and caused me to regard the matter from quite a different point of view from that which I took twelve months ago.

Senator HIGGS.—Is the change not also the result of the honorable senator's personal experience of General Officers Commanding?

Senator Lt.-Col. NEILD.—My experience in that connexion has nothing whatever to do with my change of opinion, and I have said nothing to justify such a suggestion.

Senator WALKER.—It is refreshing to hear that the honorable senator has seen his way to adopt the more advanced views.

Senator Lt.-Col. NEILD.—I am happy to think that I have fallen into line with my progressive—I shall not say aggressive—colleague, who helps me to represent New South Wales. I have much pleasure in supporting the second reading of the Bill, and I hope that in Committee I shall not have occasion to speak at any length, but will have opportunity to "vote early and often" for a measure which I believe will tend to the welfare of the defence of Aus-

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tralia and its people. I again compliment the late Minister of Defence on the courage and ability he showed in submitting a scheme which appears to be so excellent and workable.

Senator MATHESON (Western Australia).—I suggest that the debate be adjourned.

Senator Sir JOSIAH SYMON.—No, no.

Senator MATHESON.—I understood from the Attorney-General, when he moved the suspension of the Standing Orders the other night, that he was prepared to give honorable senators a little time to consider the measure.

Senator Sir JOSIAH SYMON.—I said I should consent to an adjournment, and I did so.

Senator MATHESON.—That was only one adjournment.

Senator Sir JOSIAH SYMON.—I never consented to two adjournments.

Senator MATHESON.—I suppose I must deal with the measure, but I point out that for weeks we have been fighting to get the report of Senator Dawson's Committee. That report, for some reason, it has been almost impossible to obtain.

Senator Sir JOSIAH SYMON.—Honorable senators have had the report since the 18th November.

Senator MATHESON.—The report was laid on the table of the other House, but as it was not printed, it was impossible to circulate it.

Senator Sir JOSIAH SYMON.—On the 18th November, in compliance with a request by the honorable senator, I moved that the report be printed.

Senator MATHESON.—I am not disputing that fact, but merely saying that we did not receive the report until Saturday last. The Attorney-General would hardly expect me to work on the report on Sunday, and between then and to-day other important matters have engaged our attention.

Senator DAWSON.—The honorable senator can discuss the report on the Defence Estimates.

Senator MATHESON.—But I want to discuss the report when I am dealing with this Bill; indeed, it is impossible to do otherwise.

Senator Lt.-Col. NEILD.—The Ministry ignore that report.

Senator MATHESON.—That is so, to a certain extent. But unless the report is the substratum of Mr. McCay's memorandum, that memorandum is absolutely a useless document.

Senator WALKER.—"Lt.-Col." McCay.

Senator MATHESON.—I do not use empty titles in this Chamber.

Senator WALKER.—There is Lt.-Col. Neild.

Senator MATHESON.—I always address that gentleman as Senator Neild; and I take this opportunity to protest against the habit which the *Hansard* reporters have of putting words into my mouth I never use in respect of the several "learned" and "gallant" members of this Chamber. It is an absolute waste of time, of printing, and of the services of the *Hansard* reporters. to continually insert these words, which no member of the Senate would ever dream of using. They are redundant and absolutely unnecessary, and the words "honorable senator" should be quite sufficient. This is an extremely difficult subject with which to deal. We have before us four independent documents—the departmental report, Major-General Hutton's report on the departmental report; the memorandum by the Minister of Defence, Mr. McCay, an extremely sketchy document; and the Bill to amend the existing Defence Act.

Senator GUTHRIE.—And we have the Attorney-General's speech.

Senator MATHESON.—I do not think that the Attorney-General's speech has added very much to the information which was already before us. The honorable and learned senator, in what was, no doubt, a very able speech, has put before the Senate what was already before us in print. He will admit that we have been at this late stage very amply provided with documents.

Senator Sir JOSIAH SYMON. — I admit that my honorable friend knows more of the subject than I do.

Senator MATHESON.—But we have no opportunity to deal with the documents now that we have them.

Senator DAWSON.—The honorable senator would appear to be complaining that he has been inundated with information.

Senator MATHESON.—I am complaining that essential information has been kept back until such a late hour that it is impossible for honorable senators to properly deal with it.

Senator Sir JOSIAH SYMON.—The honorable senator ought not to say "kept back."

Senator MATHESON.—The position is this: One type-written copy of his report appears to have been laid upon the table in another place. I do not think it will be considered any breach of confidence if I

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say that Senator Dawson has informed me that, in order to secure a copy of the report, it was necessary for him to get a special copy made at his own expense. I applied for the same document, in order that I might get a type-written copy of it, and I was told that the Clerk in another place could not part with it. I then went to the Attorney-General, and asked that he should secure a copy of the document to be laid upon the table of the Senate, and should get it printed. It took the honorable and learned senator some five or six days before he could secure a type-written copy of this report to lay upon the table of the Senate. In the circumstances, I am justified in saying that the report was kept back—whether intentionally or not is another matter. As I pointed out by interjection when the Attorney-General was speaking, the Bill is really all we have to deal with. I pointed out also that practically there is nothing in the Bill but the mere shell of the scheme. All that the Bill contains is provision for an Inspector-General, a Director of Naval Forces, a Council of Defence, a Military Board, and a Naval Board. Honorable senators will find that it says nothing whatever of the constitution of these Boards. That is a matter of supreme importance to the Commonwealth, and yet it is left entirely in the hands of the Governor-General in Council. I think it essential that some direction should be inserted in the Bill dealing with the constitution of these Boards. Parliament in this Bill is deliberately deprived of any opportunity of dealing with the actual scheme proposed. The Attorney-General has said that it is competent for any honorable senator to move amendments in the Bill. That, I grant, is the case. At the same time, the honorable and learned senator deprecated my avowed intention to move amendments.

Senator Sir JOSIAH SYMON.—The honorable senator did not avow any intention to move any amendment.

Senator MATHESON.—I think I did.

Senator Sir JOSIAH SYMON.—I said that if the honorable senator wished to put the whole scheme in a schedule to the Bill, he could take the sense of the Senate on that.

Senator MATHESON.—I said that I proposed to deal in the Bill with the constitution of the Boards, and the Attorney-General said that he hoped I would not do so. It is true that any honorable senator can move amendments on this Bill, but when the leader of the Government expresses the opinion that they are thoroughly unnecessary, of what use will it be for any private member to devote his time to the drafting of amendments? Honorable senators who are not lawyers will find that this work is not easily done, and must take time. We have, in discussing this matter, practically to leave the Bill entirely out of consideration. I take it that, after the experience of the last two or three years, the Senate has at last come round to approve the principle I advocated last year, and which, unfortunately, they did not insist upon on that occasion. I contended that we must have a Council of Defence, and must have Administrative Boards in conducting the defences of the Commonwealth.

Senator DAWSON.—I am free to confess that I voted against the honorable senator's proposal in ignorance.

Senator MATHESON.—It is such a pity that so many honorable senators do that every time. I very rarely speak in the Senate without having taken immense pains to post myself on the subject which I discuss.

Senator Sir JOSIAH SYMON.—The honorable senator has been like the "voice of one crying in the wilderness."

Senator MATHESON.—Exactly; and it is very poor consolation to be told a year afterwards that one is right.

Senator Sir JOSIAH SYMON.—That is the fate of all great reformers.

Senator MATHESON.—It has not been the fate of the great reformer who has suggested this scheme. What we have to deal with is not this Bill, but the intentions of the Government in connexion with the constitution of the proposed Boards, and the duties of the Inspector-General. Here we find ourselves at once in a difficulty. We do not know whether the intentions of the Government are contained in the report of the departmental Committee appointed by Senator Dawson. So far as we know, the Ministerial scheme is not to adopt the report of that Committee. Then we have Major-General Hutton's criticism upon the departmental Committee's report, and on looking at Mr. McCay's memorandum we find that Major-General Hutton's suggestions are not accepted either. Finally, we have Mr. McCay's memorandum. On analysis, it will be found to be a most unsatisfactory and sketchy document. It adopts to a very large extent the report of Senator Dawson's departmental Committee, but it does not adopt it *in toto*.

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Senator DAWSON.—It only curtails the fourth military member.

Senator MATHESON.—The honorable senator is mistaken; it does more than that. It modifies it considerably. When we come to examine the memorandum, it proves to be most hastily thrown together. It is lacking in essential details, and it bears on its face evidence of extremely hurried preparation. As a matter of fact, Mr. McCay's memorandum is the only thing we have before us, and in it the Government are pledged to practically nothing in the way of detail. The Minister of Defence does not touch upon the most essential question of how much of the departmental Committee's report he intends to adopt, and how much of it he intends to ignore. It is absolutely essential that this Bill should be made very much more definite before it leaves our hands. It should, in particular, define who are to be the members of the Boards; it should define their term of office, and any other essential details. I cannot at the moment suggest other essential details, but the two matters I have mentioned are absolutely essential, and should, without doubt, be embodied in the Bill. We might then leave it to the Governor-General in Council to prescribe the powers and functions of the boards which would be created. In dealing with this matter, it is necessary to fall back on the report of the departmental committee, as the source from which the Minister of Defence has drawn his inspiration. Whether the Minister has adopted the report in whole or in part, the Attorney-General has frankly admitted that his inspiration has been derived from that report. Directly we begin to read the report, we find that it is itself based and founded, and even composed, on the report, in three chapters, which was issued by Lord Esher's Committee. There appears to be scarcely an original sentence or an original idea in the whole of the report.

Senator Sir JOSIAH SYMON.—What does Senator Dawson think of that?

Senator MATHESON.—Senator Dawson is probably aware of it. When Senator Dawson spoke of the "brains of the Committee," I certainly thought that he would have done well if he had seen his way to acknowledge the debt which the departmental Committee certainly owe, and ought to have acknowledged, to the brains of Lord Esher's Committee, which sat in London.

Senator DAWSON.—This scheme which we propose is entirely opposed to the scheme brought up by Lord Esher's Committee.

Senator MATHESON.—I will deal with that remark as I go on. He might more fairly have spoken of the "brains" in Australia that used the scissors and the paste-pot. I intend to substantiate what I say, for I have the recommendations of Lord Esher's Committee and of Senator Dawson's Committee marked in parallel columns.

Senator DAWSON.—I am quite satisfied that I made a mistake originally in not appointing Senator Matheson as a member of the Committee.

Senator MATHESON.—That is as it may be. Nowhere in this report do I find any acknowledgement of the indebtedness of the Committee to Lord Esher's Committee. In that respect the report offers a startling difference to the report of Lord Esher's Committee, who in marginal notes acknowledge their indebtedness to all previous Committees. Whenever they quote from the report of either Lord Hartington's Committee, or any previous Committees which have sat in England to deal with defence questions, they acknowledge their indebtedness. I have the original English documents here before me, so that I am able to speak with absolute authority on these points. Lord Esher's Committee has been careful to give reasons in detail for every proposal they put forward, and therefore one is able to compare those reasons with the decision of the departmental Committee in the Commonwealth, whenever they diverge from the recommendations of the English Committee.

Senator Sir JOSIAH SYMON.—Whenever the honorable senator speaks of the departmental Committee he speaks, of course, of the Defence Committee.

Senator MATHESON.—Yes; it is a convenient thing to do.

Senator DAWSON.—Do not mind making a convenience of me!

Senator MATHESON.—We will call it "Senator Dawson's Committee," if the honorable senator prefers that.

Senator DAWSON.—The honorable senator bases his argument on the assumption that this is the only departmental Committee which made an inquiry.

Senator MATHESON.—It is the only one we know of.

Senator DAWSON.—There was another appointed by Mr. Chapman. The honorable senator should realize the difference between our Army and the Army in England.

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Senator MATHESON.—I realize that difference at once; but that comes in when we deal with details. If honorable senators have before them the report of Senator Dawson's Committee, and will turn to page 5, they will see that under the heading of "Duties of Inspector-General" are the sentences which I now propose to read. I should explain that I have only had time to deal with a portion of the report. I had intended to deal with the whole document. I have dealt with that portion under "Duties of Inspector-General," and I intend to go through the rest of the report and to parallel the other portions in the same careful way as I have done with the paragraphs which I now propose to read. I shall read, in each case, the paragraph from Senator Dawson's report, with the parallel extract from the report of Lord Esher's Committee—

DUTIES OF INSPECTOR-GENERAL.

Senator Dawson's Committee.	Lord Esher's Committee.
To be the eyes and ears of the Minister and the Military Board.	The Inspector-General and his Staff are intended to provide the Secretary of State and the Army Council with eyes and ears.
Report upon the practical results of the policy of the Council within the financial limits laid down by the Cabinet.	The duties of the Inspector-General are to "review and report upon the practical results of the policy of the Army Council within the financial limits laid down by the Cabinet."
His field of action would be the six States of the Australian Commonwealth.	His field of action would cover the United Kingdom.

Senator DAWSON.—What is wrong in that?

Senator MATHESON.—I am only objecting that Senator Dawson's Committee have not acknowledged the source from which they got their very language. These are the "brains" of Senator Dawson's report—

Senator Dawson's Committee.	Lord Esher's Committee.
He must form a judgment, either personally or through any staff which may be allotted to him, on the efficiency of the officers and men, on the handling of troops, on the standard and system of training, on the suitability of the equipment, and generally on all that affects the readiness of the Defence Forces for war. In brief, to report upon actual facts without expressing opinions upon policy.	He should form a judgment, either personally or through his staff, as the Army Council may direct, on the efficiency of officers and men, on the handling of troops, on the standard and system of training, on the suitability of equipment, and generally on all that affects the readiness of the Forces for war. The sole function of an Inspector-General would be to report upon actual facts, without expressing opinions upon policy.
He should attend all manœuvres or considerable reviews of troops.	The Inspector-General should attend or be represented at all manœuvres or considerable reviews of troops.

Senator DE LARGIE.—The honorable senator is leading us to believe that Lord Esher's Committee reported before Senator Dawson's Committee reported.

Senator MATHESON.—I am glad that Senator de Largie has grasped that point.

Senator Dawson's Committee.	Lord Esher's Committee.
He should act as Chief Umpire at large manœuvres.	He should act as Chief Umpire at large manœuvres.
He should furnish an annual report to the Board on the 1st January, in order that, when the Estimates for the ensuing year are being discussed, the Board may have the advantage of considering the facts disclosed by his independent inspection.	He should prepare a careful annual report to the Secretary of State and Council by the 1st November, in order that when the Estimates for the coming financial year are under discussion the Army Council may have the advantage of considering the facts disclosed by his independent inspection.

Senator MCGREGOR.—Would not Senator Matheson give the same instructions to his coachman as his father gave to his coachman?

Senator MATHESON.—I cannot answer that question, because I do not know what instructions Senator Dawson gave to the Committee.

Senator DAWSON.—What is the point in all this, anyhow?

Senator MATHESON.—The point is that a few moments ago the honorable senator said that this report was not based upon the report of Lord Esher's Committee—that in every material point the reports differ.

Senator DAWSON.—I said it was not similar in some respects.

Senator MATHESON.—I am showing that the very language in the two is almost identical—that there is hardly the diffe-

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rence of a semi-colon, or any other small stop, between them.

Senator DE LARGIE. — That shows that great minds work upon the same lines!

Senator MATHESON.—It goes to show that the office boy, with a pair of scissors, a paste-pot, and some intelligence, could have prepared this Committee's report.

Senator DE LARGIE.—Is this the report that Major-General Hutton criticised adversely?

Senator MATHESON.—It is.

Senator Lt.-Col. NEILD.—Then he criticised the report of Lord Esher's Committee.

Senator MATHESON. — That is perfectly true; but it must be borne in mind that Major-General Hutton said that Lord Esher's Committee's report might be good enough for England, but that it was not, in his opinion, suitable for Australia. I differ from him in that respect, but we must be fair to him. He said, in effect, "It is good enough for England, with her larger military organization, but it is not a suitable scheme for a small army like ours in this Commonwealth." He is entitled to hold that opinion. I differ from him, but that does not make him wrong or a fool. Then we have two original paragraphs—

He should also furnish a report to the Board immediately he has completed the inspection of any unit or units upon all points which, in his judgment, should not be held over for his annual report; also on points upon which he may have been so requested to report by the Board or any member of it.

He should embody in his annual report only those portions of his intermediate reports which he deems necessary to repeat.

Senator DAWSON.—That only means an interregnum report.

Senator MATHESON.—Yes, that is an intermediate report.

Senator Dawson's Committee.	Lord Esher's Committee.
All reports should be divided into heads corresponding to the distribution of duties among the members of the Military Board.	The annual report should be divided into heads corresponding to the distribution of duties among the members of the Army Council.
The Inspector-General should enter his opinions upon the confidential reports of all Commanding Officers, and he may report on any officer.	The Inspector-General should enter his opinions upon the confidential reports of all Commanding Officers, and may report on any officer.
The personal staff of the Inspector-General should consist of a Military Secretary and aide-de-camp.	The personal staff of the Inspector-General should consist of (*a*) a colonel or lieut.-colonel of the General Staff as staff officer; (*b*) a private secretary and two aides-de-camp.

We find there that the Staff has been slightly reduced, but the language is the same. The next paragraph is original—

He will be assisted, when the Board deem necessary, by any officer whom they may detail.

Under the English scheme the Inspector is assisted by a number of other sub-inspectors, whom it is not proposed to appoint in the Commonwealth.

Senator Dawson's Committee.	Lord Esher's Committee.
The Inspector-General will have no administrative or executive functions.	The Inspector-General and his staff should have no executive or administrative functions.
He should be President of a Promotion Board for all ranks above that of captain.	A Selection Board should be created for all promotions and appointments of officers above the rank of captain. We are of opinion that the Inspector-General should be a member and president of the new Selection Board.

Those are the whole of the duties of Inspector-General as set out by the Committee. With one or two trifling alterations, which I have pointed out, the two sets of recommendations are identical.

Senator Sir JOSIAH SYMON.—The result is that we have not only the authority of Senator Dawson's Committee, but also the support of Lord Esher's Committee for this Bill.

Senator MATHESON.—Undoubtedly. That is the point I wish to make. And I wish to make, as I go on, this further point, that where Senator Dawson's Committee have wandered from the recommendations of Lord Esher's Committee, and have given no reason for it, in the absence of any reason, and in the exercise of common sense, I individually think that it would be very much better to stick to the recommendations of the Intelligents—that is to say, Lord Esher's Committee—rather than to adopt the proposals of people who were unable to formulate an original report for themselves.

Senator DE LARGIE.—Does Lord Esher's scheme provide for the Inspector-General being the Commander-in-Chief of the forces?

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Senator MATHESON.—No, it does not. I should like to point out where the duties of Inspector-General, set out by Senator Dawson's Committee, differ from those recommended by Lord Esher's Committee. In the first place, Lord Esher's Committee say—

The Army Council may direct the Inspector-General whether to make an inspection personally or through his staff.

That is a most important power to retain in the hands of the Army Council, or, as it would be called here, Council of Defence. Yet that provision is deliberately struck out of the fourth paragraph of the duties of the Inspector-General; and because there was a gap which they did not know how to fill up in any other way, they put in the words "the staff which may be allotted to him,"—a mere redundancy.

Senator DAWSON.—It is not a mere redundancy, because if the Parliament does not vote the money, how can he be given a staff?

Senator MATHESON.—We are assuming that the Parliament will vote the money to carry out this Bill in its entirety.

Senator DAWSON.—The honorable senator knows very well that in the past the Parliament has not voted money for an elaborate staff.

Senator MATHESON.—Unless the Parliament votes sufficient money for an Inspector-General and a staff, it would be folly and waste of time to appoint that officer. He could not carry out the duties of his office *solus*, and, seeing that the honorable senator contemplated the existence of a staff, I should like to know whether he did not contemplate that Parliament would vote the money. I should like to know what cogent reason there is for cutting those vital words out of the recommendation of Lord Esher's Committee?

Senator DAWSON.—Does not the honorable senator see that there is a difference between Australia and England in that respect. In Australia the Inspector-General will be within easy reach of any portion of the territory he has to inspect, but that is not so in Engand, because the Inspector-General may have to go to Canada.

Senator MATHESON.—I take exception to that statement. If the honorable senator will look at Lord Esher's report, he will find that the Inspector-General is not expected to go outside the United Kingdom. Evidently the honorable senator has completely forgotten his own State and Western Australia, when he suggests that it would be easier to get about in Australia than in the United Kingdom. It takes as long to get from Melbourne to Perth, as to go from Liverpool to New York. So that that reason can hardly be considered a valid one for depriving the Army Council of power to direct the Inspector-General as to his work.

Senator DAWSON.—Supposing that something required to be inspected in India, should the Inspector-General of England go to India?

Senator MATHESON.—No; he is not sent.

Senator DAWSON.—That is a reason why he needs a staff, from which he could depute an officer in England to go out and inspect.

Senator MATHESON.—The honorable senator is mistaken. There is no provision for making an inspection in India, and, moreover, the Indian Army is totally distinct form the British Army. The debate has been useful, because we know now the motives which influenced Senator Dawson's Committee in striking out these, to my mind, extremely vital words. In the last paragraph but one of their report, Lord Esher's Committee say—

The Inspector-General and his staff should have no executive or administrative functions.

Senator Dawson's Committee say—

The Inspector-General will have no administrative or executive functions.

Why have the staff been left out? Is it contemplated, for instance, that the Inspector-General's staff, who have just the same functions as the Inspector-General, should have in addition executive or administrative functions? Because, if so, it just proves what I wish to elaborate, and that is that Senator Dawson's Committee, directly they got away from the report of Lord Esher's Committee, lost the entire inspiration that formed the basis of the whole of that extremely valuable report, and they absolutely failed to recognise the vital distinction that Lord Esher's Committee drew between the functions of the Inspector-General, which were simply to be inspecting functions, and those of the executive or administrative staff of the Military Department. There is no necessity for me to deal any further with that matter. The Attorney-General said there was no particular objection to the two original paragraphs. This

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is the original paragraph of which I do not approve—

He should embody in his annual report only those portions of his intermediate reports which he deems necessary to repeat.

I distinctly dissent from that principle. What we have had to fight against in the Military Department all along has been the fact that Parliament has been kept in the dark. From the very first moment that the Minister I am not allowed to mention took control of the Department, report after report was pigeon-holed, and denied to us. The best proof of how unnecessary the refusal on his part was, is that when Senator Dawson came into office he found no difficulty in giving any members of the Senate the fullest information in connexion with these matters, and he freely gave me information which I had been refused by previous Ministers. I wish to place on record my appreciation of the extremely good work he did in that respect, particularly in allowing light to be thrown on the very great deficiency in the matter of guns and field artillery, about which no information could be got. If it is to be an instruction to the Inspector-General that his annual report should contain only matters which he deems it necessary to repeat, Parliament will not get that full information on defence matters which it is entitled to expect. Having, as I hope, established the fact that the report of Lord Esher's Committee forms the basis of the changes we propose to make in our Defence Department, we now have before us a certain amount of expert advice, which I intend, as shortly as I can, to quote and use for the purpose of analyzing the proposals which are submitted by the Attorney-General in Mr. McCay's memorandum. As it comes first, I propose to commence with the Council of Defence. In this memorandum, Mr. McCay proposes that the Council of Defence shall consist of the Minister of State for Defence, the Treasurer, the Naval Director, and the Chief of the General Staff. Then there are consultative members, but these may be dismissed altogether, because any person whom the Committee wished to consult would obviously become a consultative member. The expression "consultative member," is merely brought in as a sop to certain officers and people in the Citizen Forces who are being honored with this very flowery designation, which will satisfy them and mean nothing. In dealing with this matter of a Council of Defence, Lord Esher's Committee give very fully the reasons why they advocate such a body, and I propose to quote them shortly, in order that we may analyze how far Mr. McCay's proposals agree with those of that Committee. Lord Esher's Committee say:—

In considering the constitution of the Defence Committee itself, we are fully alive to the vital necessity for having as its invariable President, the Prime Minister of the day. Under our political institutions, based on the authority of a Parliament with traditions like ours, no body of experts, however highly trained and qualified, would carry sufficient weight and authority to give practical effect to their conclusions, unless the Prime Minister, in whom governing power is vested, were present at their deliberations, and personally committed to their policy.

Senator Dawson's Committee, working on that report, expressly included the Prime Minister for that very reason, and the present Government, who drafted in the course of two or three days a memorandum which took three weeks or a fortnight to print, apparently cut out this gentleman without one shred of reason.

Senator Sir JOSIAH SYMON.—Surely the honorable senator does not want him on the Council?

Senator MATHESON.—Undoubtedly I do. I do not pretend to be an expert, but simply to go to the best experts for advice.

Senator Sir JOSIAH SYMON.—Why should we not differ with Lord Esher's Committee if we choose?

Senator MATHESON.—There is no reason why we should not, but we ought to be given a reason for doing so.

Senator Sir JOSIAH SYMON.—There is ample reason.

Senator MATHESON.—The Attorney-General might have given us some reason when he was dealing with this matter, because he was aware of this departmental report.

Senator Sir JOSIAH SYMON.—I referred to the omission of the Prime Minister.

Senator MATHESON.—But the Attorney-General gave us no reason why the Prime Minister should be omitted.

Senator Sir JOSIAH SYMON.—I thought the reason was obvious.

Senator MATHESON.—Obviousness is not a reason.

Senator Sir JOSIAH SYMON.—Why should we have the Prime Minister, if there are three Ministers already on the Council?

Senator MATHESON.—The Prime Minister is the responsible person, before whom everything must go.

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Senator DAWSON.—The Prime Minister is the only one whom His Majesty the King knows in a Government. The Governor-General does not even know the Attorney-General.

Senator BEST.—That is a fiction; as a matter of fact, the Governor-General does know the Attorney-General.

Senator Sir JOSIAH SYMON.—The Minister of Defence is the responsible Minister.

Senator MATHESON.—That is so, but the Prime Minister is, as it were, the chairman of the Cabinet. The Prime Minister is the man without whose sanction nothing can become effective—no important resolution of the Minister of Defence can be given effect to, without the consent of the Prime Minister. The Attorney-General does not deny that.

Senator Sir JOSIAH SYMON.—I do not admit it.

Senator MATHESON.—But silence gives consent.

Senator Sir JOSIAH SYMON.—I have said in words that I do not admit it.

Senator MATHESON.—But the Attorney-General does not deny it; and that is where he is so clever that we can scarcely deal with him. Lord Esher's Committee say—

Still less can we attempt to anticipate future possibilities. We should, however, fail in our duty were we not clearly to define the urgent and vital importance of providing, in some shape or form, a permanent institution, charged with the duties and responsibilities of calling the attention of the Prime Minister of the day to strategic problems of defence, which are never constant, to the actual condition of our armaments, and to the relation which the latter should bear to the former if the King's Dominions are to remain secure.

Further on is this statement—

At the outset of our inquiry, therefore, we are driven to the conclusion that no measure of War Office reform will avail, unless it is associated with provision for obtaining and collating for the use of the Cabinet all the information and the expert advice required for the shaping of national policy in war, and for determining the necessary preparations in peace. Such information and advice must necessarily embrace not only the sphere of the War Office, but those of the Admiralty and of other offices of State.

Then comes the important part—

A committee which contains no permanent nucleus, and which is composed of political and professional members, each preoccupied with administrative duties widely differing, cannot, in our opinion, deal adequately with the complex questions of Imperial defence. Valuable as is the work which this committee has accomplished, the fact remains that there is no one charged with the duty of making a continuous study of these questions, of exercising due foresight in regard to the changing conditions produced by external developments, and of drawing from the several departments of State, and arranging in convenient form for the use of the Cabinet such information as may at any moment be required.

Again—

The committee is necessarily a changing body. It is not safe to trust matters affecting national security to the chance of a favorable combination of personal characteristics. We are, therefore, convinced that the addition of a permanent nucleus to the Defence Committee is essential as the only valid guarantee—(1) that vitally important work with which no one is now charged shall be continuously and consistently carried on, and (2) that the Prime Minister shall have at his disposal all the information needed for the due fulfilment of his weighty responsibilities, and, further, we can conceive no other means of focussing questions of national defence under existing conditions without involving constitutional changes which would be undesirable, if not impracticable.

Now we come to the definite suggestions of Lord Esher's Committee to deal with the serious position which is pointed out; and those suggestions are as applicable in Australia as they were in England. The proposals are as follow:—

The permanent nucleus of the Defence Committee should consist of:—

1. A permanent secretary, who should be appointed for five years, renewable at pleasure.
2. Under this official two naval officers, selected by the Admiralty, two military officers chosen by the War Office, and two Indian officers nominated by the Viceroy, with, if possible, one or more representatives of the Colonies. These officers should not be of high rank, and the duration of their appointment should be limited to two years.

The duties of the permanent nucleus of the Defence Committee would be:—

A. To consider all questions of Imperial defence from the point of view of the navy, the military forces, India, and the Colonies.
B. To obtain and collate information from the Admiralty, War Office, India Office, Colonial Office, and other departments of State.
C. To prepare any documents required by the Prime Minister and the Defence Committee, anticipating their needs as far as possible.
D. To furnish such advice as the committee may ask for in regard to defence questions, involving more than one department of State.
E. To keep adequate records for the use of the Cabinet of the Day and of its successors.

I should like to know why Senator Dawson's Committee, having followed slavishly the proposals made by Lord Esher's Committee — having proved that apart

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from Lord Esher's Committee, they had no initiative—failed to adopt any of those suggestions. The Council which Senator Dawson's Committee suggested, was practically the equivalent of the Defence Council, which prevailed in England at the time the report was issued.

Senator BEST.—How many Ministers was it proposed to put on the Council of Defence?

Senator MATHESON.—At the time the report was framed there were on the Council of Defence, the President of the Council, the Prime Minister, the Secretary of War, and the First Lord of the Admiralty. These were all political members. Then, in addition, there were the Commander-in-Chief, the First Naval Lord, the Director of Naval Intelligence, and the Director of Military Intelligence. Those four latter gentlemen practically correspond with the three gentlemen recommended by Senator Dawson's Committee, namely, the Inspector-General, the Naval Director, and the Chief of Staff.

Senator BEST.—So far as political representation is concerned, it would be greater in Australia than in England.

Senator MATHESON.—The honorable senator is wrong, because there are four political representatives on the English Council.

Senator BEST.—But the British Cabinet is very much the larger.

Senator MATHESON.—In dealing with a question of policy and organization, as much discussion and intelligence is required in providing for 200,000 or 500,000 men, as for 25,000 men. At any rate, the fact remains that that was the Defence Council in England when Lord Esher's Committee framed their report. That Committee found the Council insufficient, and, for the very cogent reasons which I have quoted, they urged that a permanent nucleus should be added to the Committee. It is for us to consider how far the three professional members whom Mr. McCay proposed to add to the Council can perform the functions of a permanent nucleus; and I submit that they cannot perform the functions. I suggest for the consideration of the Senate, that a military officer and a naval officer such as are recommended in Lord Esher's Committee —not of high rank necessarily, but young men—should be appointed to the Defence Council for two years. As I have said the duty of such officers would be to spend their time permanently preparing and collating information to place before the meetings of the Council.

Senator BEST.—In England, those officers are associated with the Secretary of the Council, are they not?

Senator MATHESON.—They are associated with the Permanent Secretary, who is appointed for five years.

Senator BEST.—They are not on the Council, but are simply associated with the Secretary.

Senator MATHESON.—On the contrary, as I read the report, they are absolutely part of the Council.

Senator BEST.—I did not understand that to be so.

Senator MATHESON.—Lord Esher's Committee recommended that the permanent nucleus should consist of a permanent secretary and certain officers, and, surely, "nucleus" means a centre round which the other members of the Council will, from time to time, congregate?

Senator BEST.—But the report goes on to speak of certain other persons who may be appointed for two years.

Senator MATHESON.—Those are the persons of whom I am speaking. It is possible to take that view, but I do not read it so. In any case, there was a distinct recommendation by Lord Esher's Committee in connexion with the Council of Defence, which we have appropriated, and for which no provision whatever has here been made. This is a most serious omission. It is perfectly clear, as Lord Esher's Committee points out, that these gentlemen, owing to their departmental and administrative duties, will be practically debarred from framing schemes. Unless we have a permanent Department of the Defence Committee, occupied solely with that business, defence matters will remain in exactly the same mixed-up condition in which they are to-day. Personally, I still hold the opinion that both political parties in Parliament should be represented on the Council of Defence. I have often aired my views on the subject, and no one can deny that nearly all the trouble in connexion with the Defence Department arises on account of the conflict between the two political parties in Parliament struggling for supremacy, and anxious to secure votes. In these circumstances the conduct of the defence of the Commonwealth must suffer.

Senator BEST.—There are sometimes three or four party leaders in Parliament. What would the honorable senator do in such a case?

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Senator MATHESON.—There are always two very well defined parties, the Government and the Opposition. Since it is proposed that we should amply provide for the representation of the Government on the Council of Defence, I believe that a member of the Senate and a member of the House of Representatives might fairly be taken from amongst those who are in opposition to the Government, and given seats on this Council. If that course were followed, the recommendations of the Council of Defence, when submitted to Parliament, would be received in a very different spirit from that with which Parliament will receive recommendations emanating merely from those who are in power.

Senator BEST.—From a non-party body.

Senator MATHESON.—What I suggest would remove the whole question of defence from the sphere of party politics, and certainly that is what we should aim at. Lord Esher's Committee had nothing to say upon this question, because in England such a question would never arise. The Government in the Parliament of the United Kingdom has usually so strong a majority that the cavilling of the Opposition counts for little or nothing. In recent years it has been found that when Army and Navy votes come before the Parliament of the United Kingdom, the Opposition raise no obstacle of any kind, and the votes are passed almost without discussion.

Senator BEST.—It was on an Army vote that the last British Administration was displaced—on Brodrick's adverse motion.

Senator MATHESON.—It was because the Government had not made proper provision for the supply of cartridges, and the adverse vote was in condemnation of the laxity of the Secretary of State for War. I have dealt with the principle of the Council of Defence proposed, and I come now to deal with the provisions of the Bill as applied to it. As I have already said, they are entirely inadequate. I hope that the Attorney-General will see his way to add something to clause 7, which will define the constitution of the Council, so that the matter may be dealt with by Parliament, as it ought to be. We can very well leave the functions and powers to be prescribed by the Governor-General in Council, but it is essential that the constitution of the Council should be decided by Parliament. I come now to deal with the Military Board. According to the proposal before us, it is to consist of the Minister of State for Defence, the Chief of General Staff, Deputy Adjutant-General, Chief of Ordnance, and a finance member, who is called in the Minister's memorandum a "Civil Member." Senator Dawson's Committee, following much more closely the recommendations of Lord Esher's Committee, advise that there should be four so-called military members corresponding to the Chief of Staff, Adjutant-General, Quartermaster-General, and Chief of Ordnance, with the addition of a finance member. I wish to deal first of all with the term "Civil Member," referred to in Mr. McCay's memorandum. This term bears no relation whatever to the term "Civil Member," as used by Lord Esher's Committee. The expression, as used in the report of that Committee, provides a definition for the Parliamentary Under-Secretary of State for War, the official who apparently represents the War Office in a junior capacity in the Parliament of the United Kingdom. No work has hitherto been provided for him, and under the circumstances Lord Esher's Committee suggested that he should be called the Civil Member, and should be added to the Committee of Defence. In the Commonwealth we have no parliamentary official occupying a corresponding position. The functions which are set out in Senator Dawson's Committee's report for the Civil Member are those assigned to the Finance member. It is just as well that this should be thoroughly understood, because the term "Civil Member" as used in the Minister's memorandum is most misleading, and the proper term should be "Finance Member." I cannot help feeling that this term "Civil Member" has been used here with very grave intention, in order to suggest that the finance member should not be a military man. I am given to understand that it is the intention of the Government to make the Permanent Secretary of the Defence Department the Finance member of the Military Board, and it is for that reason that the term "Civil Member" has been used. I strongly protest against any arrangement of that sort being made.

Senator WALKER.—Where did the honorable senator discover that? I understood that he was to be Secretary to the Council of Defence.

Senator MATHESON.—I do not discover that set out in any way in these documents, but I have been led to understand, from conversations outside, that that is what is proposed.

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Senator WALKER.—I was not led to understand that.

Senator MATHESON.—I am very glad to hear the honorable senator say so, but it only proves the necessity for setting these things out clearly in the Bill. It will be particularly noticed in this connexion that the duties of the Defence member are clearly set out in Mr. McCay's memorandum. He has to deal with financial matters, and these include—

> Finance: See Treasury requirements are complied with. Financial Regulations. Keep accounts of Forces. Supervise receipts and disbursements. Examine expenditure. Frame estimates. Financial advice. Contracts. Lands. Claims.

There is not a single one of these matters which could not be performed by a military man. Senator Walker has asked me what grounds I have for supposing that it is the intention of the Government to appoint the Permanent Secretary of the Defence Force to this position. I have a very strong reason which I overlooked, and that is that it is specifically recommended in Senator Dawson's addendum to his Committee's report. The honorable senator expressly states that the Finance member of the Military Board should undoubtedly be the Permanent Secretary or permanent head of the Defence Department. I just as strongly affirm that that gentleman should not be appointed the Finance member of the Military Board. My reason is this: The Military members of this Board are all to be appointed for a four-years' term. The Minister, as we all know, will come and go, and the result will be that the Permanent Secretary of the Department, if he should become a member of the Board, will go on for ever. Major-General Hutton, in dealing with the matter, says, in paragraph 21 of his criticism of the scheme—

> The main alteration is the substitution of the Secretary of the Department of Defence for the General Officer Commanding as the controlling element of the proposed Military Board.

There is no doubt whatever that this gentleman would become absolutely what the General Officer Commanding describes as the "controlling element of the proposed Military Board." That would be the most disastrous thing that could possibly take place as a result of these proposals. Every disadvantage that arises from the present position of the General Officer Commanding would be perpetuated under such a system, without our having, as we have under the existing scheme, the advantage of a highly-trained technical man at the head of affairs.

Senator WALKER.—The honorable senator will find that there is no reference to the Permanent Secretary of the Department in the Minister's memorandum.

Senator MATHESON.—That is so, but things which are not mentioned sometimes eventuate when it is too late to protest against them. I have no hesitation in saying that the Finance member should be absolutely independent. He should be appointed, as are the Military members, for a term of four years, and he should then return to his regimental duties. What can be more essential than that our military officers should acquire an intimate acquaintance with the difficulties of dealing with financial questions, and the restrictions which the Parliament must place upon expenditure? How could any officer better obtain this experience and information than as the Finance member of the Military Board? Again, I fall back upon my authority, and Lord Esher's Committee has a good deal that is most significant to say upon this subject. They say—

> The theory that military officers of all ranks are by the fact of wearing uniform shorn of all business instincts has inevitably tended to produce the laxity which it is supposed to prevent. When money is doled out in compartments, and no discretion as to allocation is permitted, savings are not likely to accrue. In the cases, however, in which some measure of financial responsibility has been afforded to military officers, as in funds granted for manœuvres, and in the provision of supplies in the military districts, marked regard for economy has been manifested. There can be no doubt that in proportion as officers are accustomed to financial responsibility the economy which they alone can secure will be effected.
>
> While the present system of fiancial control is futile in peace, it is ruinous in war. Officers unaccustomed to bear any financial responsibility, and ruled by excessively complex regulations, cannot at once improvise a system for the control of expenditure in the field, when the restraints are suddenly removed. The result, as in South Africa, is the waste of millions.

And again they say—

> The Financial Secretary is now the colleague of the members of the Council, and can no longer occupy the position of an independent critic with special powers of access to the Secretary of State. His responsibility for the efficient and the economical administration of the military forces is co-equal with that of the other members. He has specially assigned duties, but not special responsibility apart from them. Parliament and the country must in future hold the Army Council responsible as a whole, through the Secretary of State, for the efficiency of the forces. The Council is one and indivisable with aims and interests shared in common by all members.

So much for the Finance member. I can see no reason to dispute the carefully-arrived-

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at conclusion of the Esher Committee. It would be impossible for the Permanent Secretary of the Defence Department to control that Department efficiently, and at the same time discharge all the duties that I have enumerated, as well as act as Secretary to the Military Board, and as Secretary to the Naval Board. I see no reason, however, why he should not act as secretary to both these Boards, because his duties in that respect would be analogous to the duties as Permanent Secretary of the Defence Department; and as a simple recording officer, his assistance would no doubt be most valuable to both Boards. But as a member of the executive of those Boards, he is distinctly out of place. The next question is that of the absence of a Quartermaster-General. When Senator Dawson's Committee framed their report, following the lines of the Esher Committee, they included such an officer. But Mr. McCay has come along, and has cut the Quartermaster-General out entirely. No reason of any sort is given for the omission. The duties have in the most arbitrary way been divided between the Adjutant-General and the Chief of Ordnance. Four of the Departments which would ordinarily be controlled by the Quartermaster-General, namely, Transport, the Army Service Corps, the Army Medical Corps, and the Veterinary Department, are placed under the control of the Deputy-Adjutant-General. The other four Departments, namely, Supplies, Clothing, Equipment, and Ordnance Department Stores are placed under the control of the Chief of Ordnance. I pointed out yesterday, and I repeat it, that the Chief of Ordnance must be a highly-trained engineer officer. He must be a man of very special attainments in a very special line. To ask that officer to make himself responsible for buying supplies wholesale, and looking after clothing and equipment is too preposterous for anybody to think of. In addition to that, it is absolutely impossible in any army to separate transport from supplies. Nothing could be more clearly set out than that fact is in the columns of Lord Esher's report, under the heading of "Duties of Quartermaster-General." I do not, however, quote it; but I do propose to quote a paragraph from Lord Esher's report in that connexion. It is as follows, speaking of the Admiralty:—

It may be said to have been founded on the proved requirements of war, and although it has not in recent times been put to the supreme test, it has smoothly and successfully met new demands as they have arisen, including an enormous increase of *personnel* and *matériel*. It conforms closely to the arrangements under which the largest private industries are conducted. Finally, it has retained the confidence of the Navy and of the nation.

That is a very vital point which I wish to impress upon the Senate—that these three or four gentlemen are asked to conduct the business of the Defence Department in exactly the same way as a private business would be carried on. I appeal to the Senate as to what person would ever dream in his private business of employing a highly-trained engineer to purchase stores wholesale for the purpose of sending them up country, and selling them retail? Any business man would laugh at the suggestion. Yet, if we follow Mr. McCay's proposal, we should be forced to adopt that very system. In fact, if we attempt to carry out this scheme without a Quartermaster-General, the whole thing is practically doomed to failure. I again propose to quote Lord Esher's report. It says—

For the first time in the long annals of War Office reforms its intricate problems have, we believe, been approached from the point of view of war rather than from those of peace. The scheme we have laid before you is based upon the consideration that the preparation for war is the primary object of a War Office, and that military organization can be sound in time of peace, unless it is applicable to the necessities of war.

What we have to ask ourselves is this—is Mr. McCay's proposed organization applicable to the necessities of war? Can any one believe it possible that in time of war we can do without a Quartermaster-General's department? Has the Senate any idea of the organization of the Quartermaster-General's department. If not, all that honorable senators have to do is to turn to Major-General Hutton's report on the recommendations of the Defence Committee, and there it will be found that at the present moment we have a Deputy Quartermaster-General, assisted by two assistants, whose services have practically been shown to be indispensable. Yet the Government propose to do away with that officer, and to throw his work upon two other officers, in spite, not only of Major-General Hutton's advice—because I understand that people are chary of accepting his advice—but of the carefully-thought-out scheme of the Esher Committee. It is a curious fact that the duties in connexion with the Quartermaster-General's department are nearly double those of any of the other three departments enumerated in Lord

Esher's report. I do not propose to go through them all, because it is not essential that I should; but the fact remains that this is the one department that Mr. McCay has though fit to cut out of the scheme put forward both by Senator Dawson and by Lord Esher. Mr. McCay gives no reason for doing so. The Attorney-General gives no reason. They simply say, "We do not think it is necessary." Therefore, we have these two gentlemen representing the Government setting up their opinions in opposition to those of admitted experts, whatever may be thought of Major-General Hutton.

Senator GUTHRIE.—The present Minister of Defence is a practical military man.

Senator MATHESON.—He may be, but he has not had the experience that Sir George Sydenham Clarke, Lord Esher, and Admiral Sir John Fisher have had. I think I have made out a good case for the Quartermaster-General, and I hope that the Senate will insist on having that officer reinstated as a member of the Council of Defence. I spoke at the commencement of the slovenly, slipshod way in which Mr. McCay's memorandum has been drawn up. Just in passing I wish to justify that statement. In Mr. McCay's schedule we find an officer called the Deputy Adjutant-General. I understand that the word "deputy," directly the office of General Officer Commanding is done away with, is entirely redundant. We find that Major-General Hutton talks, in connexion with the new office, of "the Adjutant-General." We find that Lord Esher's Committee talk of the office of "Adjutant-General." Yet, because under existing conditions the officer is called a Deputy Adjutant-General, Mr. McCay, or the office—of course it is not Mr. McCay individually—puts down the same title, though it was quite unnecessary to use the word "deputy." The most important feature in connexion with this Council of Defence has not been sufficiently touched upon by Senator Dawson's Committee, or by any one else. The point is this. These officers are appointed for four years, and it is intended that at the end of four years' tenure the officers are to go back to their ordinary routine work outside the office, and that four other men of similar standing are to come in and carry on the work.

Senator WALKER.—Will not the officers be eligible for re-election?

Senator MATHESON.—No; that is a most important point, and one upon which Lord Esher's Committee lays great stress. They have the strongest objection to the new organization getting into a groove. They have experienced the drawbacks connected with the existing organizations, and the grooves that the principal officers connected with it have got into. What they say is most important, because it lays down the rule which should govern the appointments in the Commonwealth, and which reads as follows:—

In appointing the members of the Army Council, no consideration, except that of special fitness for the duties involved, should arise.

It is not necessarily any senior officer; a good junior officer would be taken in preference.

It will not be necessary to appoint an officer of high rank who has shown capacity for field command to a purely administrative office such as D or E; nor need there be a bar to the appointment of an officer of any rank to any post at the War Office if he possesses the necessary qualifications, experience, and intellectual capacity. We consider that the question of military rank can be allowed to remain in abeyance among members of the Council.

That is most important.

They will have official titles and fixed salaries during their period of office, and they will be practically in the position of the Lords of the Admiralty. This would have the advantage that any member of the Council could afterwards revert to any post outside the War Office suitable to his military rank without, as now, being restricted to a few appointments of the highest class.

Senator GUTHRIE.—What is to be done with the Director of Naval Affairs at the end of four years?

Senator MATHESON.—At the end of four years, he would have to go back to one of the State commands, and one of the State Commandants would have to be taken on as Naval Director.

Senator GUTHRIE.—He would be disrated.

Senator MATHESON.—He would not be disrated. He would be simply given leave from his executive functions, and go to the administrative branch.

Senator GUTHRIE.—But under that scheme he has to carry out both executive duties and the Naval Commandant's work.

Senator MATHESON.—That is one of the most peculiar things in this connexion—the absolute inability of Senator Dawson's Committee to follow out the lines of Lord Esher's recommendations, directly they departed from the use of scissors and paste. They were all right so long as they were cutting it out and pasting it on to a piece of paper; but directly they became

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original, they entirely forgot the fundamental principles which governed that report.

Senator GUTHRIE.—Let the honorable senator ask leave to continue his speech to-morrow.

Senator MATHESON.—The Attorney-General wishes to go into Committee on the Bill to-night. To continue the quotation—

While we are strongly of opinion that immense improvement can be effected in the War Office and in the Army by reconstructing the administrative machine on sound principles, we are well aware that the personal qualifications of the individual members of the Council must be factors of great importance. Men of exceptional ability can obtain fair results from a bad system, but under a good system personal shortcomings produce the minimum of disadvantage, and they are, moreover, easily detected. It is of the essence of a bad system that mediocrity, or worse, is effectively shielded.

Under a scheme of that sort, we shall have six State Commandants, and I hope five military men upon the Military Board. In other words, there will be eleven leading officers in the Commonwealth available for interchange. I have already pointed out the ridiculous nature of the provision for consultative members of the Council of Defence. What I said there applies with equal force to the inclusion of representatives of the Citizen Force as consultative members of the Military and Naval Boards. The titles, if they are conferred, will be simply figures of speech, because it is perfectly obvious that if it is necessary to consult any people, they will be called in, whether they are called consultative members or not.

Senator DE LARGIE.—Are Advisory Boards new to the military system of the old country?

Senator MATHESON.—The honorable Senator is mistaken. This is not an Advisory Board, but a certain number of citizen colonels are to be given the title of consultative members. They are to be told, "You are consultative members, and if we want to consult you we shall send for you." It is a mere farce to insert that provision in any scheme, because if the Board wished to consult any persons, they would send for them. This sop is put in to gain the support of a certain number of citizen colonels and majors in order to disarm criticism.

Senator DE LARGIE.—Is the honorable senator aware that for many years in the old country there has been an Advisory Board in connexion with the militia?

Senator MATHESON.—The honorable senator may be perfectly right. No doubt other persons outside Parliament are of the same opinion as he is, namely, that this constitutes an Advisory Board, but it does not. It is simply an honorary title given to a few men in order to secure their support. There again the provisions in the Bill are entirely inadequate, and if it is taken into Committee to-night, it will be utterly impossible to draft amendments by the morning. I maintain that the constitution of these Boards ought to be clearly set out in the Bill. They are not set out, and the result will be that we shall probably pass the Bill to-morrow morning, and in the course of a few months we shall find that the Government have made arrangements differing perhaps very materially from even the provisions indicated by Mr. McCay, and which, so far as I am concerned, will be thoroughly unsatisfactory. I now come to the Naval Board, and here we find a most curious reversal of the whole of the principles that nominally governed Senator Dawson's Committee, when they were dealing with the Military Board. The main objects of the proposed new scheme as were set out in Mr. McCay's memorandum are—

The separation of administration from executive command, thereby making practicable, first, decentralization by the increase within established limits of the independence of State commands, and the consequent encouragement of independent thought and initiative; and, second, the ultimate full development of a Citizen Force.

What do we find? We find that in spite of that the Director of Naval Forces is to combine both administrative and inspecting duties; indeed from another paragraph it is fair to assume that it is also intended that he shall have a State command. I do not know whether the Attorney-General has made any inquiry on that score, but I called his attention to it when he was making his second reading speech. We might just as well have no system as have a system which is put in force in one respect by one Board, and is entirely ignored by the other Board. Beyond that there is very little to say about the Naval Board. Its construction is entirely out of keeping with the rest of the scheme, and if it is put through on the lines contemplated it cannot avoid being a failure. I now come to the question of the Permanent Secretary of the Defence Department. Lord Esher's Committee have a good deal to say about the Secretary to the War Office, whose position corresponds with that of the Permanent Secretary of our Defence Department. In case it may be suggested that under this re-organization scheme his duties

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would become so diminished that he might fairly be asked to take a seat on the Military Board as a defence member, I propose to indicate a few of the duties which he might reasonably be expected to perform. Under Lord Esher's scheme, and doing nothing else than act as Secretary of the War Office, the following are the principal duties he would have to discharge:—

(*a*) General control and discipline of the civil staff serving under the Army Council, and of office arrangements. Appointments and promotions; (*b*) Direct control of the central department including the Registry and the War Office Library; (*c*) Parliamentary business; (*d*) Issue of orders and publication of regulations other than those of a purely military character, which will be dealt with in the branch of the member of council concerned; (*e*) Official communications with the King, with other Departments of State, and with the Law Officers of the Crown; (*f*) Preparation of Actuarial and Statistical Returns of a general character, and the editing of the War Office List; (*g*) Interviews and semi-official communication on behalf of the Army Council; (*h*) Communications with the Press.

All papers intended to be brought before the Army Council will be sent to the secretary, who will summon and attend its meetings, keep minutes and records, and make himself acquainted with all questions which come before the council for decision.

All letters sent from the War Office in the name of the Army Council should bear the signature of the secretary, to whom all letters sent to the War Office should be addressed.

The secretary will be responsible for making such arrangements as will secure secrecy wherever necessary. The War Office has for some time been notorious for the leakage of confidential matter, and recent cases have been brought to our notice showing that the present safeguards are totally insufficient.

It will be remembered that when Senator Dawson was in office he ordered an inquiry on several occasions into a most extraordinary leakage which took place in the Defence Department, showing that the defects occurring at home are equally prevalent here. The question of promotion is dealt with extremely fully in Lord Esher's report, and has hardly been dealt with by Senator Dawson's Committee or in Mr. McCay's memorandum. This is one of the most important topics with which we could possibly deal. There is always a feeling that promotions are apt to be made improperly—that influence may be brought to bear in order to secure promotion for men who are not duly entitled to it. Lord Esher's Committee are very explicit on the constitution of a Promotion Board; but I do not see that Mr. McCay makes any proposal in this connexion, except that the Inspector-General is to be the Chairman of such a Board. Nothing whatever is said, however, about the constitution of the Board. Under the circumstances, we are obliged to fall back upon Major-General Hutton, who recommends that the Board shall consist of the Inspector-General, the Adjutant-General, and the Commandant of Victoria. Personally, I do not think that such a Board is at all satisfactory, though I have no suggestion to make on that score, being of opinion that any recommendation should have come from the Committee. I have not touched on the Inspector-General, chiefly because there is not much exception to be taken to the proposal which has been placed before us. I understand that objections are raised to the presence of the Inspector-General on the Council of Defence, but as the equivalent officer will be on the Council in England I do not see any objection to the same course being pursued here. Had Lord Esher's Committee pointed out that it was impossible, or out of place, for the Inspector-General to be on the Council, the objection would have held good here, but in the absence of any direction of the sort I do not see why we should strike out a line for ourselves.

Senator Sir JOSIAH SYMON.—Hear, hear.

Senator MATHESON.—The Attorney-General says "Hear, hear," but I appeal to him, though I am afraid uselessly, to induce the Minister of Defence to mould the scheme more on the lines laid down by Lord Esher. If some reasons were given for the departures, one might be satisfied; but, so far as one can see, there is simply a desire to make an innovation in the proposals of a predecessor. Suggestions are struck out which are essential to the scheme, and we are simply told, without any proof, that they are unnecessary.

Senator DE LARGIE.—It is dangerous to give reasons under such circumstances.

Senator MATHESON.—It certainly is, when there are no reasons to give; but the matter is left in an extremely unsatisfactory position. I intended to say a great deal more, but, unfortunately, this legislation has been pushed ahead somewhat unduly, and there has not been opportunity to consider all the questions which arise out of the report.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1 agreed to.

Progress reported.

Senate adjourned at 10.25 p.m.

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House of Representatives.

Thursday, 1 December, 1904.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

TARIFF COMMISSION.

Mr. KING O'MALLEY.—Has the Prime Minister seen, in the Ministerial organ—the *Argus*—the names of those who, it is reported, are to be appointed to the Tariff Commission? I should like to know if the list is correct, because seven of the twelve are free-traders. I think that the Prime Minister should make the numbers equal, so that there may be a straightforward investigation.

Mr. REID.—In view of my refusal to give the press any information on the subject, I can understand the difficulties which they have in making up paragraphs. My honorable friend need not, however, be under any anxiety in regard to the matter to which he refers, because there is sure to be absolute equality.

COMMONWEALTH COINAGE.

Mr. WATSON.—I wish to know from the Prime Minister, in the absence of the Treasurer, whether the arrangement come to with the British Government with respect to the coinage of silver includes the making of provision for the cost of replacing all worn gold coins minted in Australia. More of the gold which is minted in Australia is eventually exported than is used here.

Mr. REID.—I had intended to see my right honorable colleague this morning, and that was one of the subjects upon which I wished tc obtain information. Unfortunately, owing to the pressure of other business, I was unable to see him. My impression is that the arrangement as to the replacing of worn gold coins does not refer to coinage minted in the past, but to coinage to be minted in the future. Such coinage, I believe, must be renewed after a very long interval—I think twenty years—though I am not in a position to make a precise statement on the subject, because the matter has been left entirely with the Treasurer. If my honorable friend will repeat his question on Tuesday, I shall be prepared with full information.

PREFERENTIAL TRADE: MANUFACTURES ENCOURAGEMENT BILL.

Sir WILLIAM LYNE.—I wish to know from the Prime Minister, in view of the rumour which is in circulation, that Parliament is to be prorogued at the end of next week, if any arrangement has been made with the two favoured individuals who are in charge of those matters for dealing with Preferential Trade, and the Manufactures Encouragement Bill.

Mr. REID.—I hope—and I wish to announce the fact to the House — that tomorrow we shall be able to proceed with the Manufactures Encouragement Bill, and I expect to hear the debate on Freferential Trade begun on Tuesday next.

Mr. GROOM.—And taken to a division?

Mr. REID.—That is a matter for the House. The Government do not wish to throw any obstacle in the way of the completion of the discussion. That will depend on the number of members who propose to take part in the debate. My impression is that it would take at least a month to thoroughly discuss the question, and if a majority of honorable members is prepared to remain here another month to do so, the Government are also prepared to remain, but if honorable members will not stay, neither will the Government.

FUBLIC SERVANTS' INCREMENTS.

Mr. BATCHELOR. — Has the Prime Minister yet obtained the opinion of the Attorney-General on the question of the increments payable to public servants under State laws?

Mr. REID.—That information has not yet been obtained.

REVISION COURTS.

Mr. SPENCE.—Is the Minister of Home Affairs prepared to give the House the information regarding the holding of Revision Courts which he promised the other day?

Mr. DUGALD THOMSON.—Rather than let anything stand in the way of redistribution—and some honorable members seem to think that if the rolls are not pıinted and revised that will stand in the way—I shall adopt the proposals which have been put forward, though I shall endeavour to cheapen the cost of carrying them out.

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PREMIERS' CONFERENCE.

Mr. HIGGINS.—Does the Prime Minister feel free to inform the House as to the subjects which he intends to bring before the Premiers' Conference at Hobart? By announcing them, he might obtain some useful suggestions, attention to which would save trouble hereafter.

Mr. REID.—I am sorry to say that the list is not yet closed, and if any honorable member can favour me with any suggestions to add to an already long collection, I shall be only too glad to consider them. The proposal is that the Commonwealth Government and the States Governments shall prepare lists, and that by consultation we shall mutually agree as to the subjects to be discussed. By the adoption of that process, it is very unlikely that any subject of importance will be overlooked, but if there is any such subject which honorable members fear may be overlooked, I shall be personally indebted to them if they will mention it.

Mr. HIGGINS.—If we knew how the list stands up to date, we might be able to save the Government trouble by making suggestions.

Mr. REID.—If honorable members would do our business altogether, it would save us trouble. That is not possible, however. I should often like to have the assistance of my honorable and learned friend, if I could take it. If there is any subject which any honorable member fears may be overlooked, and he will be good enough to communicate with me in regard to it, I shall see that consideration is given to the question whether it should or should not be placed on the list.

POST AND TELEGRAPH REVENUE AND EXPENDITURE, QUEENSLAND.

Mr. WILKINSON.—When is the Postmaster-General likely to supply the information for which I asked something like three weeks ago, in reference to the revenue and expenditure of the Post and Telegraph Department of Queensland?

Mr. SYDNEY SMITH.—The trouble is to get reliable particulars in regard to the period before Federation. We have received a return from the Treasury, which has been checked by our Department, and has been sent to Queensland to ascertain if it is correct, because I am anxious that reliable information, which cannot be questioned by either the Treasury authorities here or the Queensland Government, shall be laid upon the table.

PROVISIONAL PATENT APPLICATIONS.

Mr. THOMAS asked the Minister of Trade and Customs, *upon notice*—

1. In cases of provisional protection patent applications which are lodged with all documents in absolutely perfect condition for acceptance, how many minutes, on the average, does it take an examiner to examine the same?

2. How many provisional protection applications are there in the Patent Office lodged more than forty days ago in respect of which the applicants have not been informed that any examination has yet taken place?

3. Is there anything to prevent the Commissioner of Patents from issuing weekly in the *Gazette* the following information in future, or, at latest, from the beginning of the year 1905, and if so, what is the cause of such information not being available promptly :—A list of applications; of specifications accepted; of renewal fees paid; of patents void; of applications abandoned; of assignments and licences registered; and particulars of all new official decisions and rulings, such as will enable the legal profession, patent attorneys, and inventors to understand without delay the Patent Office practice?

Mr. McLEAN.—The answers to the honorable member's questions are as follow:—

1. From ten minutes to two hours, according to the nature and complexity of the specifications.

2. Three hundred and fifty-five.

3. A monthly *Gazette* is already issued, containing all the information mentioned in this question, with the exception of the rulings and decisions. To publish the Commissioner's rulings in regard to each application would not only create a large amount of extra work, but would be the means of making public many matters which concern the Crown and the inventor alone, and which may ultimately be used to the detriment of the inventor. The Crown undertakes to preserve inviolate the secrets of the inventor, and any disclosure by it of the result of the examination of a provisional specification, and ruling connected therewith, would destroy the whole object and intention of the Legislature. The propriety of publishing all decisions of general public interest, and which do not disclose inventors' secrets, will be considered.

The practice of the Patent Office can be gathered from Statutory Rules, 1904, No. 70.

It is intended to issue a weekly *Gazette* as soon as possible.

ORDER OF BUSINESS.

Motion (by Mr. REID) proposed—

That Government business take precedence of general business (Notices of Motion and Orders of the Day).

Mr. McDONALD.—Is the right honorable member in order in moving this motion now?

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Mr. SPEAKER.—The Prime Minister gave contingent notice of the motion yesterday at the proper time, so that he is quite in order in moving it now.

Mr. McDONALD.—The procedure seems to be somewhat strange. We have resolved that on certain days we shall transact certain business. I could understand, if the motion were to be dealt with merely as a formal one, letting it go with the consent of the House, but if this procedure is to be followed, then, no matter what business may have been set down on the notice-paper, an honorable member by giving a contingent notice of motion, may move that it be set aside. The sessional order provides that on Thursdays general business shall take precedence.

Mr. SPEAKER.—The sessional order to which the honorable member refers provides that—

On each Thursday, until half-past six o'clock, unless otherwise ordered, general business shall take precedence of Government business.

If the House passes the motion just moved by the Prime Minister, it will "otherwise order," and will be able to proceed with Government business before dealing with general business. What has been done is in strict compliance with our rules.

Mr. McDONALD (Kennedy).—I could have understood the action of the Government if they had moved this motion on some other day, but I think that it is irregular to move it on a day on which private members' business takes precedence. I do not, of course, contest your ruling, Mr. Speaker, though I feel strongly on this matter. If the course now being followed is the correct one, there is nothing to prevent me, by means of a contingent notice of motion, from moving on a day set apart for Government business that general business take precedence, thus occupying a couple of hours.

Mr. JOSEPH COOK.—Has the honorable member never heard of the slaughter of the innocents?

Mr. McDONALD.—Yes; but that has to be carried out with the consent of the House.

Mr. REID.—I am asking for the consent of the House now that Government business shall take precedence only for to-day.

Mr. POYNTON.—That is where the unfairness of the proposal lies.

Mr. McDONALD.—The Government intend to try to bring the session to a close next week, and, therefore. the Prime Minister is endeavouring to wipe off the notice-paper the business in the hands of private members, which would, in the ordinary course, be discussed to-day.

Mr. THOMAS.—And to take private business to-morrow.

Mr. McDONALD.—Exactly. According to the statement made by the Prime Minister, it is intended to deprive honorable members of an opportunity to discuss a number of questions of the greatest importance, whilst the matters which are in the hands of two special friends of the Government are to be dealt with to-morrow.

Mr. REID.—Surely those are matters of public importance. Cannot the honorable member take a public view of these questions?

Mr. McDONALD.—The right honorable gentleman seems to think that he is the only statesman in the House.

Mr. REID.—It is my regret that I am—I cannot help it.

Mr. McDONALD.—At the same time, we are entitled to see that fairness is meted out to honorable members generally, and I protest against the favoritism now being shown to supporters of the Government. I do not say that the Manufactures Encouragement Bill is not an important measure; but it is not so viewed by the Prime Minister, and evidently he has some ulterior motive in affording time for its consideration. We know the right honorable gentleman's views, because he delivered a speech in strong opposition to the measure.

Mr. WILKS.—If he had not delivered that speech the honorable member would have been one of the first to howl against him.

Mr. McDONALD.—I am not saying one word against the speech delivered by the right honorable gentleman, but I object to the attempt now being made to deprive a number of honorable members of their right to precedence to-day, whilst at the same time arrangements have been made to permit two honorable members on the Government side of the House to proceed with proposals in which the Prime Minister does not believe. He has expressed his willingness to afford time for the discussion of a proposal in which he does not believe.

Mr. FRAZER.—A proposal which he says it will take a month to decide.

Mr. McDONALD.—Exactly. I do not think it will be fair to permit the honorable and learned member for Ballarat to make a speech on his motion, and to devote sufficient time to discussion to enable merely the Prime Minister, and perhaps the leader

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of the Opposition to speak. There are other honorable members who have a right to be heard on the subject.

Mr. REID.—Hear, hear,

Mr. McDONALD.—The views of all honorable members upon that important subject should go forth at the same time, and the discussion should be continued until the question is decided one way or the other. I wish it to be understood that I do not advocate that the House should discuss private members' business. I have always held that the time so spent is practically wasted. I object, not so much to the wiping out of private members' business, as to the unfair preference shown to supporters of the Government. It is proposed to devote a certain portion of the time which would otherwise be occupied in the discussion of public business, to debating matters which are in the hands of two private members. I maintain that the Manufactures Encouragement Bill should not be included amongst the Government's business. The Ministry have renounced all responsibility in connexion with that measure, and have placed it in the hands of a private member, and therefore it should take a position among the ordinary private business. Therefore, it seems to me that the Bill cannot be dealt with in Government time without the consent of the House. I give the Prime Minister credit for having adopted the right course in having handed the Bill over to the honorable member for Eden-Monaro, but it was the duty of that honorable member to move that it should be made an order of the day for such and such a day, instead of its being merely included amongst the Government business. I shall not, however, discuss that matter any further, because I shall have an opportunity to deal with it to-morrow. I trust that in fairness to honorable members who have private business on the notice-paper, the Government proposal will be rejected.

Sir WILLIAM LYNE (Hume).—I think the action of the Prime Minister is scarcely warranted at this stage, especially in view of the importance of the business which is on the notice-paper for consideration today. The second notice of motion deals with a matter which I regard as of the utmost importance, namely, the introduction of Chinese into South Africa.

Mr. WILSON.—Did we not thresh that out before?

Sir WILLIAM LYNE.—I do not think the honorable member ever threshed anything out.

Mr. WILKS.—The mover desires to postpone it.

Sir WILLIAM LYNE.—It is a very important matter, and I shall be glad to have an opportunity to discuss it.

Mr. KING O'MALLEY.—I will postpone my motion, in order to give the honorable member for Southern Melbourne an opportunity to move the motion standing in his name. I have already informed honorable members that I intend to do so.

Mr. JOSEPH COOK.—What about notice of motion, No. 3?

Sir WILLIAM LYNE.—I was about to refer to that. It appears to me that in connexion with that notice of motion we may find a reason for the proposal that is now before us. The question therein dealt with is a very ticklish one for some honorable members. The motion has been postponed two or three times, apparently because the Prime Minister does not care to discuss it. I am not, however, afraid to face it.

Mr. REID.—I did not postpone the motion.

Sir WILLIAM LYNE.—I did not say that the right honorable gentleman did so.

Mr. McDONALD.—The Government whip talked it out.

Mr. WILKS.—Honorable members opposite do not want to vote upon the motion.

Mr. McDONALD.—I do.

Mr. WILKS.—Then the honorable member is the only one who does, and that is owing to his republican ideas.

Mr. SPEAKER.—Order. If the honorable member for Dalley does not desire to be named, I trust that he will not be so persistent in his interruptions.

Sir WILLIAM LYNE.—This will be the last opportunity we shall have to discuss many of the important matters which are included among the notices of motion in the hands of private members, and in view of the fact that on a former occasion the honorable member for Dalley talked out the proposal of the honorable member for Southern Melbourne, it would not be fair to interpose Government business in the manner proposed by the Prime Minister. I regret to say, in reference to the question I asked the Prime Minister as soon as the House met with regard to the action the Government propose to take in reference to the Manufactures Encouragement Bill and Preferential Trade——

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Mr. REID.—I must rise to a point of order. I do not mind this discussion, except that it takes up time. I would ask whether the motion is not one affecting certain private members' business on the notice-paper for to-day, and nothing else?

Mr. SPEAKER.—The motion now under discussion relates to the order of business, and as the business on the notice-paper for to-day includes the motion standing in the name of the honorable and learned member for Ballarat, relating to preferential trade, and also the Manufactures Encouragement Bill, the question before the Chair distinctly concerns the order in which those matters should be discussed.

Sir WILLIAM LYNE.—I desire to emphasize the point raised by the honorable member for Kennedy to the effect that the Manufactures Encouragement Bill is not a Government measure. It is distinctly a private measure. The Prime Minister desires to postpone private members' business to-day, and yet to-morrow he proposes to afford the honorable member for Eden-Monaro an opportunity of proceeding with the Manufactures Encouragement Bill. He has also intimated that Tuesday next will be devoted to a discussion of the question of Preferential Trade, which will be initiated upon a motion by the honorable and learned member for Ballarat. I should like to know what chance the Manufactures Encouragement Bill has of receiving fair consideration if it is to be finally dealt with to-morrow? It has absolutely no chance whatever. We all recognise that even if the debate upon it in Committee is very limited, its consideration must occupy at least two or three days. The leader of the Government himself admits that the discussion of the question of Preferential Trade—if it is to be pushed to a division—would absorb quite a month. What is the meaning of all these statements? Obviously, they mean that neither of the subjects to which I have referred will be finally disposed of. The action of the right honorable gentleman is prompted by a desire to delay the consideration of certain business which appears upon the notice-paper. He has no intention whatever of finally dealing before the prorogation of Parliament with either of the two important matters mentioned.

Mr. SPENCE (Darling).—When the Prime Minister gave notice of this motion last evening I assumed that his intention was to devote to the consideration of Government business, the time which is usually allotted to private members, and in view of the general desire to get into recess, I felt disposed to support him. It now appears, however, that he proposes to rob private members generally of the few hours in the remainder of the session, which could be devoted to a consideration of their business, and, at the same time, to set apart two days to enable two Government supporters to bring forward matters in which they are specially interested. It seems to me that such a proposal cannot be in any way justified. Why should certain honorable members be afforded privileges which are denied to others? Had the Prime Minister proposed to take the time which is ordinarily allotted to private members' business, and devote it to the transaction of Government business, I should have raised no objection. What a farce it is to talk about setting to-morrow apart for the consideration of the Manufactures Encouragement Bill, with a view to finally passing that measure! The Prime Minister knows very well that there is no prospect whatever of its being finally dealt with to-morrow.

Mr. REID.—Why, it has been talked about for three years.

Mr. SPENCE.—I venture to say that the Prime Minister is not hopeful that it will be put through all its stages to-morrow. Further, the right honorable gentleman proposes to devote only one day to the consideration of Preferential Trade, which is an Empire question.

Mr. REID.—I never said a word about devoting one day to its consideration. I merely stated that the motion dealing with it would be submitted upon Tuesday next.

Mr. SPENCE.—If it is to be finally disposed of that day——

Mr. REID.—I did not say that.

Mr. SPENCE.—The right honorable gentleman proposes to take away the time which should be devoted to the consideration of other private members' business, in order to confer a favour upon the honorable and learned member for Ballarat, and the honorable member for Eden-Monaro. I protest against such a course of action. The Prime Minister has previously indicated that the source from which proposals emanate weighs with the Government.

Mr. REID.—It is sheer rubbish to make that statement.

Mr. SPENCE.—Is it because members of the Labour Party desire that a decision shall be arrived at upon the motion for the nationalization of the tobacco industry that

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we are prevented from dealing with it? I would suggest to the Prime Minister that he should either reduce the programme with which he intends to deal during the current session, or that we should be afforded an opportunity of completing the consideration of the measures which stand upon the business-paper.

Mr. Reid.—The honorable member has lost a great deal of interest in that great labour measure—the Conciliation and Arbitration Bill.

Mr. SPENCE. — The right honorable gentleman is not very much worried about either that Bill, or the Manufactures Encouragement Bill; he does not care what may be the fate of those measures. He merely wishes to throw a sop to certain private members, whom he must placate. I have no objection to morning sittings, if they should be necessary; but I say that private members should be accorded the same treatment all round. The proposal of the Government is merely indicative of their position. As a matter of fact, they can scarcely ensure the attendance of a quorum.

Mr. Reid.—I have never before heard of Parliamentary detectives who go round endeavouring to ascertain whether or not there is a quorum.

Mr. Watson.—Not when the right honorable member himself was in Opposition?

Mr. SPENCE.—I claim that, in maintaining the privileges of honorable members, we are performing a public duty. There is no reason why every representative in this House should not be placed upon a footing of equality, and hence I oppose the motion.

Mr. Reid.—All the time that would ordinarily be devoted to private members is being absorbed in this discussion.

Mr. HUGHES (West Sydney).—I desire to add some sort of protest to what has already been said against the intention of the Government to curtail the opportunity of discussing the two very important subjects which have been referred to by the honorable member for Hume, namely, Preferential Trade and the Manufactures Encouragement Bill. It is essential to the good government of this country that every honorable member should have a chance of voicing his opinion upon Preferential Trade now, rather than wait until after Parliament re-assembles next year. By that time the Prime Minister will have had an opportunity to ascertain how the cat jumps, and will thus be in a position to come in on the top of the tide.

Mr. Reid.—Is that the honorable and learned member's trouble?

Mr. HUGHES.—The right honorable gentleman proposes to give the honorable and learned member for Ballarat an opportunity of discussing Preferential Trade, so as to placate him whilst denying a similar privilege to others. He makes a non-committal sort of reply—we all recognise that he is a past master in that art—and then desires to sink into a glorious recess, at the end of which period Mr. Chamberlain may have done something, or possibly the elections may have taken place in Great Britain. At any rate, he would then be in a position, irrespective of what party prevailed at the polls, to give effect to popular demands. What we desire is that there shall be morning sittings next week——

Mr. SPEAKER.—That is not the question before the Chair.

Mr. HUGHES.—That I am out of order is a most regrettable fact. The whole proposal of the Government is a sham, seeing that they intend to give up the whole of to-morrow to the honorable member for Eden-Monaro—avowedly for the purpose of enabling the Manufactures Encouragement Bill to be finally dealt with. There are other important matters upon the business-paper upon which we should arrive at a decision—notably, a motion having reference to the introduction of Chinese labour in South Africa.

Mr. Reid.—Is that question of equal importance with the Conciliation and Arbitration Bill?

Mr. HUGHES.—The Prime Minister boasted some time ago that he intended to knock out the Labour Party. Has he his battalions here that he is so anxious to proceed with the Bill to which he refers?

Mr. Reid.—Why has the honorable and learned member turned sick over it? It was his first missionary plank once.

Mr. HUGHES.—I wish to obtain a Bill which will be effective, whereas the right honorable gentleman merely desires one which will be a placard. The statement of the honorable member for Darling is absolutely true. The Government cannot control the House, and merely seek an opportunity of getting into recess.

Mr. WATSON (Bland).—I should like to remind the Prime Minister that when he gave notice of this motion yesterday, he said that he would not press it if any

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objection were offered to the proposal to take away the time allotted to private members' business this afternoon. In view of that statement, I am sure that he has no desire to persevere with his motion.

Mr. REID.—If there be a general objection to my proposal, I shall be the last to press it. I submitted it under the impression that it would meet with general approval.

Mr. WATSON.—The Prime Minister will admit that honorable members who have motions standing in their names on the notice-paper have some claim to consideration.

Mr. REID.—If the honorable member will say that there is a general objection on the part of the Opposition to the taking away of the right of private members to submit motions this afternoon, I shall not press my motion.

Mr. WATSON.—I do make that assertion.

Mr. REID.—As I said yesterday, it would be unfair on my part to endeavour to take away the time allotted to private members' business, if there were any objection to that course.

Mr. JOSEPH COOK.—It is usually done at the end of a session.

Mr. REID.—It is; but if there is a general objection to the proposal, I shall not use any power I possess to take away the rights of private members in this respect by the mere force of a majority. I gave notice of the motion, under the impression that there was a general feeling on both sides of the House that it was desirable to advance the consideration of the Conciliation and Arbitration Bill. I find now that there is no such disposition on the part of honorable members opposite, or that, at all events, they are not prepared to go to the length of giving up the time usually devoted to private members' business.

Mr. HIGGINS.—That is not a fair statement.

Mr. REID.—I do not wish to put the matter unfairly. May I say that there is a general feeling that the right to deal with private members' business this afternoon should not be taken away? In view of that fact, I ask leave to withdraw the motion.

Mr. SPEAKER.—Is it the pleasure of the House that the right honorable member have leave to withdraw his motion?

Mr. AUSTIN CHAPMAN (Eden-Monaro).—I object. May I be permitted to say in answer to the statements made by members of the Opposition, and particularly by the honorable member for Darling, who takes exception to the proposal of the Prime Minister to devote some time to the passing of certain measures——

Mr. WATSON.—He has not taken exception to that. He said that it was not fair to treat one honorable member differently from another.

Mr. AUSTIN CHAPMAN.—If I have misunderstood the honorable member——

Mr. REID.—The honorable member has not misunderstood him.

Mr. AUSTIN CHAPMAN.—I understood him to say that it was somewhat remarkable that the Prime Minister should propose to deprive honorable members having motions on the notice-paper of the time to which they were fairly entitled this afternoon, and to propose to give up this and further time to the consideration of proposals submitted by honorable members, who happen to be supporting the Government.

Mr. REID.—That is what he said.

Mr. WEBSTER.—We quite agree with that.

Mr. AUSTIN CHAPMAN.—I am glad to hear that this statement has the indorsement of the Opposition, because it is just as well that the people should know who are in favour of the passing of the Manufactures Encouragement Bill, and who are not. It is just as well, on the eve of a prorogation or a dissolution—whatever it may be——

Mr. THOMAS.—Let it be a dissolution.

Mr. AUSTIN CHAPMAN.—That will depend on the earnestness of the members of the Opposition. I have on a previous occasion spoken of the advantage——

Mr. SPEAKER.—I would point out that as the honorable member has objected to the withdrawal of the motion, the only matter that may now be discussed is the notice of motion; I must ask him not to discuss any side issue. The question is whether private members' business shall be postponed until after the consideration of Government business.

Mr. AUSTIN CHAPMAN.—I am endeavouring to answer statements which you, Mr. Speaker, have allowed honorable members to make regarding the time devoted to private members' business. Do I understand you to rule that I shall not be in order in answering statements that have been made with your concurrence?

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Mr. SPEAKER.—The honorable member is entirely mistaken as to my ruling. He will be perfectly in order in discussing the question whether private members' business shall be taken into consideration before, or after, Government business to-day. In discussing that matter he will also be in order in referring to the various remarks made by previous speakers; but he will not be in order in referring, as I understood that he was about to do, to the relative advantages of a prorogation or a dissolution.

Mr. AUSTIN CHAPMAN.—I have very great pleasure in bowing to your ruling, sir, because any one who has any idea of the temper of the House must know that, notwithstanding the protestations made by some honorable members, there is no room for argument as to whether a dissolution or a prorogation is the better thing. If honorable members desire a dissolution——

Mr. SPEAKER.—The honorable member must not discuss a matter that is not before the Chair.

Mr. AUSTIN CHAPMAN.—I understood the Prime Minister to say that if honorable members would give up the time that would in ordinary circumstances be devoted this afternoon to private members' business, he would adopt a certain course. The private members' business set down for consideration to-day is not of a very important character; but that, of course, is a matter of opinion. The Prime Minister pointed out that it would be more desirable to proceed with the consideration of business such as the Manufactures Encouragement Bill, which might be productive of some good result, than to discuss mere abstract questions. I admit that that is open to argument, but I regret to find that there are honorable members in this House who disagree with my contention that it is better that we should attempt to pass measures, from which we can obtain some tangible result, than to devote time to the discussion of abstract questions. At the close of a session there is, as a rule, a certain degree of consideration extended to a Government. Honorable members usually defer the consideration of mere abstract motions until proposals likely to produce some result have been dealt with. In making the statement as to the time to be given to private members' business, I do not think that the Prime Minister intended to suggest that he would merely set apart to-morrow for the consideration of the Manufactures Encouragement Bill.

Sir WILLIAM LYNE.—That is what he said.

Mr. REID.—I did not. I said that the consideration of the Bill would be resumed to-morrow, but I certainly did not say that I would set apart only the one day for its consideration. Those words were put into my mouth.

Sir WILLIAM LYNE.—No.

Mr. AUSTIN CHAPMAN.—I thought the Prime Minister expressed the hope that honorable members would see that as we were apparently approaching the close of the session, it was desirable to forego the consideration of notices of motion set down for to-day, none of which could lead to any very important result. He said that if we adopted that course we should be able to conclude the consideration of the Conciliation and Arbitration Bill this evening, and that to-morrow we should be able to deal with the question of Preferential Trade or the Manufactures Encouragement Bill. I have no desire to discuss Preferential Trade further than to say that I am a supporter of it; but there can be no question that we can pass the Manufactures Encouragement Bill this session if honorable members really desire to see it carried into law.

Mr. WATSON.—Let us discuss that point to-morrow.

Mr. AUSTIN CHAPMAN. — That phase of the question will not be considered to-morrow. Why did not the honorable member interject in this impatient way when others were attacking me?

Mr. WATSON.—I did not hear any one attack the honorable member.

Mr. AUSTIN CHAPMAN.—Then the honorable member must occasionally suffer from deafness. We have been told that it is all very well to allow the Government to go into recess and come in with the rising tide next session. But so far as the people are concerned, it is immaterial who is on the top of the tide. Is not the passing of the Manufactures Encouragement Bill of more consequence than is any question as to the leadership of the House?

Mr. McDONALD.—Why did the honorable member take that Bill out of the hands of the honorable member for Hume?

Mr. AUSTIN CHAPMAN.—We have already threshed out that matter.

Sir WILLIAM LYNE.—No.

Mr. AUSTIN CHAPMAN.—Honorable members know very well that I had no desire to take the Bill out of the hands of the

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honorable member for Hume. I do not know that the honorable member has any heaven-born right to take charge of such a measure.

Mr. SPEAKER.—That has nothing whatever to do with the motion before the Chair.

Mr. AUSTIN CHAPMAN.—One is apt to be led away by interjections suggested by others, who would show to better advantage if they were prepared to make them themselves. It is interesting to observe certain honorable members making bullets, and getting others to fire them. Whenever I attempt to answer any statements in regard to the Manufactures Encouragement Bill, half-a-dozen honorable members, from the leader of the Opposition downwards, are always ready to cry out about the unfair treatment of the honorable member for Hume.

Mr. SPEAKER.—Irrelevant interjections do not in any way justify an irrelevant speech. The honorable member must discuss the motion before the Chair.

Mr. AUSTIN CHAPMAN.—If you were in my position, Mr. Speaker, you would find it very difficult to refrain from answering interjections which in themselves are very pertinent. I hope I do not misunderstand the Prime Minister. I take it that he considers we should have reasonable time to discuss the Manufactures Encouragement Bill. We know, of course, that if honorable members are determined to block the passing of that Bill merely because a private member happens to have charge of it, and that the right honorable member for East Sydney is the leader of the Government, they can do so. If that is the spirit which animates them, it is certainly desirable that we should have a dissolution rather than a prorogation. Those who, like me, are earnestly in favour of the Manufactures Encouragement Bill, will appeal to the Prime Minister not to withdraw his motion.

Mr. WATSON.—The honorable member does not facilitate the consideration of the business of which he is in charge by blocking another honorable member.

Mr. AUSTIN CHAPMAN.—Who am I blocking?

Mr. WATSON.—The honorable member is preventing others from proceeding with private business on the notice-paper.

Mr. AUSTIN CHAPMAN.—Those who have private business set down for consideration to-day may proceed with it if they are anxious to do so. I should not have objected to the withdrawal of the motion had I not been attacked by the Opposition. No honorable member may attack me with impunity. I am quite prepared to answer in this House and out of it for any action I have taken. There is no reason why the consideration of the Conciliation and Arbitration Bill should be delayed. If we postponed private members' business set down for consideration to-day, we should have an opportunity to deal with that measure as well as the Manufactures Encouragement Bill. Honorable members have publicly pledged themselves to abide by the decision of the House on the subject of bonuses, and therefore, they should take the opinion of the majority as soon as possible, in order that we may know what is to be done, and not continue to gull the people by pretending to do what we do not intend to do.

Mr. RONALD (Southern Melbourne).—I understand that the Prime Minister wishes to withdraw his motion.

Mr. SPEAKER.—That has been objected to.

Mr. RONALD.—I understand that it was proposed to withdraw it, because it prevents the discussion of a motion which has stood on the business-paper in my name for some time past, and which is worthy of the best attention of the House. After the shameful tactics which have been resorted to on two occasions when I have attempted to bring that motion forward, I cannot but protest in the strongest terms which our rules allow against such contemptible and miserable tactics as are now being pursued.

Mr. SPEAKER.—The honorable member must not say that.

Mr. RONALD.—The Government have shown clearly that they desire to prevent the House from coming to a vote on my motion.

Mr. JOSEPH COOK.—The honorable member has not wished to go on with it. He has withdrawn it once or twice.

Mr. RONALD.—Whether it be discussed this session or next session, I intend to proceed with it, and to press it to a division, so that it may be seen where and how each man stands in regard to the question with which it deals. The subject is one on which I feel very strongly, and affects nearly one-fourth of the population of Australia.

Mr. SPEAKER.—I ask the honorable member not to discuss the motion.

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Mr. RONALD.—I have no intention to discuss it.

Mr. JOSEPH COOK.—When it has stood first on the business-paper, the honorable member has withdrawn it.

Mr. WEBSTER.—He has merely given way, to allow Government business to be proceeded with.

Mr. RONALD.—I have not withdrawn it, nor given it second place. I have always tried to keep it to the front, although the time of the House has been wasted in order to prevent it from being dealt with. I protest in the strongest way against the treatment which I have received. I wish to let the Government know that we see through their contemptible tricks.

Mr. SPEAKER.—The honorable member must not use such language.

Mr. REID.—And a clergyman is the only man in the House who uses it.

Mr. RONALD.—I am sorry that my limited vocabulary cannot find more apt terms. The tactics of the Government are certainly not dignified. I hope that private members will insist upon exercising their privileges, and will not allow their business to be pushed on one side without rhyme or reason. The Prime Minister has suddenly developed great zeal in regard to the Conciliation and Arbitration Bill. He is anxious to go on with the measure now, because we have told him that it is not worth having, and that, therefore, we do not care what becomes of it. I assure the House that my motion must be faced sooner or later, and the Government may just as well face it gracefully as make a wry face over it. This unprofitable and unfruitful session should be brought to a termination as soon as possible. Either by prorogation or by dissolution, we should immediately put an end for the time being to this expensive and unseemly farce of doing business in which we have no serious interest. What care the Government for the Conciliation and Arbitration Bill? Their new born zeal for passing it is shown only when the Bill has been emasculated, and is no longer worth the paper on which it is printed.

Mr. KENNEDY (Moira).—It is refreshing to hear honorable members, who of their own free will have postponed notices of motion, vehemently protesting against what is quite a usual procedure at this period of the session.

Mr. REID.—No time was given to private members during the last four months of last session.

Mr. POYNTON.—In this case discrimination is being shown.

Mr. KENNEDY.—It is usual at this period of the session for private members to give up their time, so that public business may be proceeded with. Honorable members who place motions of a controversial character on the notice-paper know that they are not likely to reach finality. In my opinion there is a clear distinction between the ordinary private members' business on the notice-paper, and the two proposals which have been referred to, and are in charge of the honorable and learned member for Ballarat and the honorable member for Eden-Monaro respectively. Those two matters are legacies from a past session, and the Government—whether wisely or unwisely, it is not for me to say at the present time—have seen fit to give up their own time for their consideration, regarding them as of an important character, and questions in regard to which an attempt should be made to reach finality. For my own part, however, when the Government refused to take up the Manufactures Encouragement Bill, and left it to a private member, I felt that there was no hope of getting it passed. Those of us who are enthusiastic supporters of the Bill are aware that no private member has a chance to obtain finality in regard to such a measure.

Mr. THOMAS.—Why should discrimination be shown?

Mr. KENNEDY.—I think there is justification for giving special consideration to these two proposals. So far as the question of preferential trade is concerned, if honorable members choose to discuss it at length, it will be impossible to come to any decision this session. To my mind, the position shows that there is a great amount of make-believe in public as well as in private life. We are gulling the public all the time.

Mr. WEBSTER.—Honorable members on that side are doing so.

Mr. KENNEDY.—Honorable members of the Opposition are also doing so. In and out of season, they have been charging the Government with delaying the consideration of the Conciliation and Arbitration Bill.

Mr. WATSON.—We have not said much about that measure since the honorable member and a few more practically killed it by their amendment.

Mr. KENNEDY.—It is useless for the honorable member to charge me here with

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my actions in regard to that or any other Bill. The place to accuse me of my political sins is before my constituents. It is a waste of time to do so here.

Mr. WATSON.—Then why has the honorable member accused the Opposition?

Mr. KENNEDY.—I am merely stating my view of the present position. I have had nothing to do with killing the Bill. Honorable gentlemen opposite, however, refuse to give an opportunity for the consideration of the points of difference between the two parties in this House in regard to the measure.

Mr. FRAZER.—We say there is plenty of other time.

Mr. KENNEDY.—The honorable member has no occupation to attend to outside the House, so that time is of no material consideration to him. We are not all in that position.

Mr. WATSON.—Can any other Western Australian representative attend to his business and to the affairs of the country as well?

Mr. KENNEDY.—No, and I cannot understand why those who have come from distant States, at great sacrifice of time and money, should, after having been here for ten months, wish to remain two months longer.

Mr. KING O'MALLEY.—On a starvation wage, too!

Mr. KENNEDY.—Although I have not come so far as they have, I am forced to give up the whole week. and I feel that ten months make a sufficiently long session.

Mr. FRAZER.—The honorable member has his alternative.

Mr. KENNEDY.—Yes, and when necessary, I shall avail myself of it. It seems extraordinary that a Parliament constituted of over 100 allegedly sane business men, should transact the business of the country in a way which would bring them to insolvency in no time if applied to their private affairs. In ten months, we have done nothing to justify our existence. Now when the Government wish to take for public business four hours which the Standing Orders allot to private members' business, the statesmen who ornament the Opposition benches object, although the desire is to expedite the passing of the Conciliation and Arbitration Bill, and no material results will follow the discussion of private members' business.

Mr. HIGGINS.—The desire of the Government is to take private members' time for Government business to-day, in order to be able to give up Government time to private members' business to-morrow.

Mr. KENNEDY.—Government time is not to be given to private members' business to-morrow unless the Conciliation and Arbitration Bill has, in the meantime, been disposed of.

Mr. TUDOR.—Why should we not go on with the Trade Marks Bill?

Mr. KENNEDY.—That is not for me to say. I understand that the promise given in regard to the Manufactures Encouragement Bill was conditional upon the amendments in the Conciliation and Arbitration Bill being finally disposed of to-day. The intention is that they shall first be disposed of. I realize that it is of no use to make an appeal to honorable members opposite. They will exercise their own sweet will, and I am here at their mercy.

Mr. WATSON.—We are at the mercy of honorable members opposite.

Mr. KENNEDY.—I am delighted at the attitude of the Prime Minister, who has thrown the whole of the responsibility for what is now occurring on the Opposition.

Mr. FRAZER (Kalgoorlie).—I wish to know whether the Prime Minister intends to allow private business to proceed.

Mr. REID.—Surely, after having promised to withdraw the motion, I shall not be a party to negativing what I have said.

Mr. McDONALD.—But the honorable member for Eden-Monaro objected to the withdrawal!

Mr. REID.—That was necessary to enable him to make a statement.

Mr. JOSEPH COOK.—Why are honorable members opposite now wasting time?

Mr. FRAZER.—If the honorable member for Parramatta will shut his mouth, we shall be able to get on with the business all the sooner.

Mr. SPEAKER.—Order! I must ask the honorable member to withdraw his expression.

Mr. FRAZER.—I withdraw.

Mr. SPEAKER.—I must also remind the honorable member for Parramatta that these exchanges across the Chamber, which deal purely with personal matters, and not with the question before the Chair, are entirely out of order, and I trust that they will not be persisted in.

Mr. JOSEPH COOK.—I am very sorry that anything I have said should have called forth the reference you, sir, have made to me. I may say that the interjection re-

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ferred to was about the first I had made to-day, and I extremely regret that you should have seen fit to pounce upon me.

Mr. SPEAKER.—Order. I regret that the honorable member for Parramatta should have seen fit to make that statement. I quite believe that he makes many more interjections than perhaps he is aware.

Mr. JOSEPH COOK.—I do not, I assure you, sir.

Mr. SPEAKER.—Order. I shall have to name the honorable member, if he persists in speaking in that way. The honorable member is not aware of the number of interjections he does make; furthermore, he is in the habit of making running comments upon speeches, which are very annoying to honorable members, and I hope that he will not persist in that line of conduct.

Mr. FRAZER.—I regret that I should have made use of the expression objected to. I should not have done such a thing if the interjection had come from any other than the honorable member for Parramatta.

Mr. JOSEPH COOK.—I rise to a point of order. I desire to know whether the honorable member is in order in making these personal reflections upon me.

Mr. SPEAKER.—The honorable member has stated that he would not have made the remark he did but for the interjection made by the honorable member for Parramatta. I think that he is entitled to make that statement.

Mr. JOSEPH COOK.—I think the honorable member said that he would not have made the remark if any other honorable member but myself had interjected.

Mr. SPEAKER.—If the honorable member for Kalgoorlie made any reference to which the honorable member for Parramatta objects, I am sure that he will withdraw it.

Mr. JOSEPH COOK.—I regard it as deeply offensive.

Mr. FRAZER.—I do not know that I have anything to withdraw.

Mr. SPEAKER.—Order. If any honorable member is offended by any remark which falls from a speaker, he has a perfect right to ask for its withdrawal. I understand that the honorable member for Parramatta objects to the honorable member's remark to the effect that if any other honorable member had been concerned, he would have taken no notice of the interjection.

Mr. FRAZER.—I did say something to that effect, and I withdraw it. If I may mention one more word in connexion with this unsatisfactory business, I would say that the continuous interjections of the honorable member for Parramatta are a source of annoyance, and eventually exhaust one's patience.

Mr. JOSEPH COOK.—I rise to a point of order. I want equal treatment.

Mr. SPEAKER.—Order. What is the honorable member's point of order?

Mr. JOSEPH COOK.—My point of order is that the honorable member has no right to make reflections of that kind concerning a matter that has been closed.

Mr. SPEAKER.—I do not see anything in the point of order. The honorable member for Kalgoorlie is perfectly entitled to remark upon the frequency of interjections, and that was all he did.

Mr. FRAZER.—In view of the attitude adopted by the Prime Minister, after the expressions of disapproval from this side of the House, I do not desire to occupy any further time in discussing this matter. If there were any need for me to express my opinion with regard to the proposal to set aside private business, I should have a good deal more to say. I desire that private members' business, and particularly the motion relating to the tobacco monopoly, should be proceeded with.

Mr. JOSEPH COOK (Parramatta).—I commend the Prime Minister for offering to withdraw the motion. Every one knows that it is usual, long prior to the close of the session, to bring such a motion forward. It has been the invariable rule, both in the States Parliaments and in this House, for honorable members, towards the close of the session, to sacrifice the private business standing in their names, and what was proposed to-day, therefore, was only in accordance with a long line of precedents reaching as far back as our knowledge of Parliamentary procedure. It seems, however, that honorable members opposite are quite determined not to extend ordinary courtesy to the present Government.

Mr. WATSON.—We have treated them very fairly.

Mr. JOSEPH COOK.—It is very unfortunate that honorable members should have outraged the usual amenities by refusing to accede to a motion such as that now before us. A motion of this kind was adopted two or three months prior to the close of the last session, and in the ordinary course the Government take similar action at least a month or five weeks before the date at which it is anticipated the session will be brought to an end.

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Mr. WATSON.—But such a motion excludes all private business.

Mr. JOSEPH COOK.—Do I understand that the leader of the Opposition objects because the Government propose to afford time for the discussion of the Preferential Trade question?

Mr. WATSON.—The honorable member knows that I have not objected at all.

Mr. JOSEPH COOK.—I know that the honorable member is speaking with the utmost approval of what has been done by his supporters.

Mr. WATSON.—I merely indicated that the ground of objection was being misstated by the honorable member.

Mr. JOSEPH COOK.—I am speaking of the honorable member's ground of objection.

Mr. WATSON.—I did not raise any objection.

Mr. JOSEPH COOK.—I understand that the ground of objection on the part of the leader of the Opposition is that the Government are treating honorable members in a partial manner.

Mr. WATSON.—I did not put that forward as an objection, but indicated that others had done so.

Mr. JOSEPH COOK.—What did the honorable member say when he spoke?

Mr. WATSON.—I pointed out that the Prime Minister had promised that if objection were raised, he would not go on with the motion.

Mr. JOSEPH COOK.—Then I take it that the honorable member is not in favour of the motion being proceeded with. I understand that because some people objected to the motion going on, he rose to remind the Prime Minister of his promise. I would ask, however, where is the sense of doing that if he does not agree with the objections made by his followers? If honorable members object to Preferential Trade being discussed, simply because we cannot deal with every other matter standing in the name of private members, it is as well that we should know it.

Mr. POYNTON.—The honorable member is very much concerned about Preferential Trade and the Manufactures Encouragement Bill.

Mr. JOSEPH COOK.—The leader of the Opposition has never ceased to press the urgency of dealing with Preferential Trade.

Mr. WATSON.—Hear, hear.

Mr. JOSEPH COOK.—And now he is leading an onslaught upon the Government, because they are endeavouring to furnish an opportunity for its discussion.

Mr. WATSON.—That is the usual misrepresentation of the honorable member.

Mr. JOSEPH COOK.—Honorable members do not like to be squared up, and to be reminded of the logical outcome of their actions. The honorable member has accused me of unfairness, and yet he indicated by interjection a score of times this afternoon, without any interruption from Mr. Speaker, that the whole ground of complaint is that all private members are not being treated upon the same footing. He is complaining that the Government are proposing to make an exception in favour of Preferential Trade.

Mr. McDONALD.—And of the Manufactures Encouragement Bill.

Mr. JOSEPH COOK.—I do not see any force in the objection. The two matters referred to do not stand in the same category as others on the notice-paper in the names of private members.

Mr. POYNTON.—The honorable member has already expressed the opinion that the Manufactures Encouragement Bill ought not to have been placed in the hands of a private member.

Mr. JOSEPH COOK.—Yes, I believe I did express that opinion, when the leader of the Opposition persisted in placing the matter in the hands of a private member.

Mr. WATSON.—That does not excuse the honorable member's inconsistency.

Mr. JOSEPH COOK. — All we ask is that there shall be extended to the Prime Minister the same consideration that has been accorded to the leaders of all previous Governments.

Mr. POYNTON.—The honorable member extended a lot of fair play to the last Government.

Mr. JOSEPH COOK.—I believe that the honorable member will find that I did not make half-a-dozen speeches during the whole of the time the Watson Government were in office. If ever I gave a Government fair play, I extended it to the Watson Ministry.

Mr. POYNTON.—The honorable member certainly gave them less votes than any other.

Mr. SPEAKER.—Order. Will the honorable member for Grey desist from interjecting.

Mr. JOSEPH COOK.—I am sorry that the honorable member and I cannot agree. We have not been able to do so since he passed away from our control.

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Mr. POYNTON.—I was never under the control of the honorable member.

Mr. JOSEPH COOK.—I was not suggesting that the honorable member was under my control; that would be a most improper suggestion to make. What I do say is, however, that he has become a very violent partisan since he went over from our party to the opposite camp.

Mr. SPEAKER.—Order. Will the honorable member for Parramatta kindly discuss the motion.

Mr. JOSEPH COOK.—Certainly; I shall be glad to do so, and I beg of you, Mr. Speaker, to stop these interjections. We have been sitting for nearly ten months, and I think that the honorable member for Moira rightly complains of the great length of our sessions. Something will have to be done with a strong hand to shorten the duration of our sessions. The honorable member for Kalgoorlie told the honorable member for Moira that he could leave Parliament if he did not care to attend our long sittings. I would suggest that there is another alternative, namely, that honorable members may remain in parliamentary life and still be able to give some time to their private business. I think that one of the most urgent reforms we require is the curtailment of the length of our sessions. If a strong determination were shown in this direction, we should do better work, and more of it. But honorable members opposite are not prepared to do what is customary towards the close of the session. They refuse to give the Government the sole control of the time of the House. So far as I am aware, that courtesy has never previously been refused to any Government by any Parliament in the Commonwealth. I admit that the members of the Opposition subscribe to none of the ordinary customs of parliamentary government. They are establishing precedents of a most objectionable character, and I appeal to them to allow the Government to devote the time which still remains to us during the current session to the consideration of important public business.

Mr. WEBSTER (Gwydir).—It is rather amusing to honorable members upon this side of the House to be called upon to listen to gratuitous lectures by the honorable member for Parramatta.

Mr. SPEAKER.—I would point out that the question before the Chair is not one relating to lectures by private members. It is a proposal that Government business shall take precedence of private members' business this afternoon.

Mr. WEBSTER.—I am aware of that, and I merely desired to make incidental reference to the honorable member for Parramatta. He has taken a strictly partisan view of this question. If the Government honestly desired to devote this afternoon to the consideration of the Conciliation and Arbitration Bill, I should raise no objection to their action. As a matter of fact, however, the course which they propose to adopt is prompted only by a wish to placate one or two of their supporters by enabling them to discuss subjects in which they are interested, notwithstanding that those discussions must be barren of results, so far as the present session is concerned. I venture to say that no precedent can be found for handing over to the control of a private member such a measure as the Manufactures Encouragement Bill. The honorable member for Parramatta knows perfectly well that to exhaustively discuss the question of Preferential Trade would occupy a very considerable time. I recognise that the period which is ordinarily allotted to private members on Thursday afternoon has almost passed. That fact may be attributed to the speech delivered by the honorable member for Moira, who is always anxious to dictate to the Opposition. In his remarks this afternoon that honorable member again hinted—just as did the honorable member for Parramatta—that the Prime Minister will have to exhibit more backbone in the conduct of public business. I wish to remind those honorable members of the fact that the members of the Opposition possess some rights. We are expected to discharge the duties which attach to a responsible Opposition. The attitude we have adopted this afternoon is not prompted by a desire to delay the passing of the Manufactures Encouragement Bill, but by a wish to see equality of treatment extended to every honorable member. Even if the Manufactures Encouragement Bill were finally dealt with to-morrow, it could not be put into operation unless the Government were prepared to guarantee that the money necessary for that purpose will be forthcoming. They are not willing to father the measure.

Mr. SPEAKER.—The honorable member must not discuss that Bill.

Mr. KING O'MALLEY.—The honorable member is occupying time which might be devoted to a consideration of the motion of

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the honorable member for Southern Melbourne.

Mr. WEBSTER.—If I am assured that the honorable member desires to proceed with his motion——

Mr. KING O'MALLEY.—He does.

Mr. WEBSTER.—Then I shall content myself with entering my protest against the action of the Government, and with extending my congratulations to the honorable member for Moira upon his release from captivity.

Motion, by leave, withdrawn.

HOME RULE FOR IRELAND.

Mr. RONALD (Southern Melbourne).—I move—

That an humble Address be presented to His Majesty as follows :—

MAY IT PLEASE YOUR MAJESTY :

We, Your Majesty's dutiful and loyal subjects, the members of the House of Representatives of the Commonwealth of Australia in Parliament assembled, desire most earnestly in our name and on behalf of the people whom we represent, to express our unswerving loyalty and devotion to Your Majesty's person and Government.

We have observed, with feelings of profound satisfaction, the evidence afforded by the recent speeches from the Throne, and debates thereon in the House of Lords and Commons of the United Kingdom, and also from Your Most Gracious Majesty's recent visits to Ireland, of a sincere desire on all sides to usher in a new era of lasting peace and goodwill in Ireland, and this House congratulates the mother country on the just and equitable legislation recently passed on the land and education questions, and hopes for an early and lasting settlement of the troublesome problem of the government of Ireland, which has taxed the powers of British statesmen for so long.

Enjoying and appreciating, as we do, the blessings of self-government here, we would humbly express the hope that a just measure of Home Rule will be granted to the people of Ireland. We would point out that land purchase was half of the proposed settlement of Ireland's difficulties in 1881, and that recently Your Majesty's advisers saw fit to pass a liberal measure of land purchase, thus removing the great hindrance to Home Rule.

We desire to point to our own experience, and to emphasize the blessings which accrue to this Commonwealth from the Federal system of Home Rule, under which our people live, and the benefits in which the people of Australia, with their fellow citizens and subjects of the Dominion of Canada, rejoice. This extended experience which Your Most Gracious Majesty's subjects have had of the inestimable benefits resulting from self-government being bestowed on the Australian States and Commonwealth, only intensifies their desire to affirm through their representatives in Parliament the sentiment that nothing could give more solidarity to the Empire over which Your Most Gracious Majesty rules than a liberal measure of Federal Home Rule being granted to the people of Ireland.

It is scarcely fair to expect me to deal with this subject in the brief period at my disposal, and consequently I think that the House might grant me its indulgence by allowing me to continue my remarks upon a future occasion.

Mr. REID.—Hear, hear.

Mr. RONALD.—The nominative of this motion—the object of it—is His Most Gracious Majesty the King. I do not wish to approach so exalted a ruler in any way as a matter of form, but rather from genuine and sincere feeling, which will be shared by those who are most interested in this question, namely, the Irish people. That they entertain a profound respect and reverence for His Majesty the King has been demonstrated again and again. Upon the other hand, His Majesty has shown his high appreciation of the Irish character. I may be told that it is not desirable that we should discuss Imperial politics, because our action may provoke interference by the Imperial authorities with Australian politics.

Mr. MCDONALD.—The Imperial authorities have already interfered in Australian matters.

Mr. RONALD.—That will be the objection raised to a proposal to approach the Imperial Parliament, even through the person of His Majesty. But I would point out that a precedent has already been established in that connexion. Australia was called upon to interfere in a matter of Imperial concern in connexion with the recent South African war. Upon that occasion we did our best to assist the British Government. I attribute to those who were enthusiastically in favour of that war only the very best intentions. Surely, if a dependency of Great Britain may interfere with Imperial politics, to make war, to spread desolation and carnage in any part of His Majesty's dominions, it is our inalienable right to interfere, with a view of making peace, and spreading good-will and happiness throughout the land. That is the object I have in view in submitting this motion. Australians will certainly throw more enthusiasm into a proposal of this kind than they could be expected to display in supporting any proposition to make war. This is a message of peace; it is a proposal to make a reality of a union which exists only on paper. It is a proposal to bring about a union of hearts, and that being so, I feel that if we have ever shown any enthusiasm for the welfare of the Empire in relation

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to a matter of war and destruction, this motion will find a far more ready response in the hearts of the people of Australia. It makes for righteousness, peace, and goodwill in His Majesty's dominions.

Mr. WILKS.—Many of the people of Ireland hold a contrary opinion.

Mr. RONALD.—There is always a minority prepared to oppose any proposal. Sometimes it is large, and sometimes small.

Mr. WILKS.—In this case, it is a very large one.

Mr. RONALD.—I was about to say that in this case the minority is something like one in twenty-eight. The only province of Ireland in which there is any opposition to Home Rule, is that of Ulster. But, even in Protestant Ulster, something like 80 or 90 per cent. of the people believe in the principle. The fact that the vast majority of members returned by that so-called anti-Irish province are in favour of Home Rule, proves that its population must consist of a very large percentage of persons who are in favour of the principle. In the southern parts of Ireland the people are unanimously in favour of it, so that the minority is a miserable one, utterly unworthy of consideration.

Mr. WILKS.—The honorable member may say that it is a miserable one, but he will find that it is fairly active.

Mr. RONALD.—What those who constitute it lack in numbers they generally make up in noise.

Mr. WILKS —The honorable member will discover that, so far as their activity is concerned, they cannot be spoken of as a miserable minority.

Mr. RONALD.—The honorable member is a very fair representative of the class for which he speaks. This opposition reminds me of one of those little insects that make a noise by the river side, while the big stream flows steadily on. Ever since I have known anything about politics, the people of Ireland have spoken with one voice, and with great fervour, in favour of Home Rule. There can be no mistake as to its being a thoroughly democratic proposal. If the people of Scotland had asked for Home Rule with the same unanimity as have the people of Ireland, their prayer would have been granted long ago. Coming more closely to the terms of my motion, I would remind the House that the demand for Home Rule is now being received with a better spirit by the people of England. That better feeling has been largely due to the action of His Majesty the King, who, within the last two years, paid a most successful visit to Ireland. This was the first Royal visit almost since the time of George IV., and it seems to me that it ushered in a new era, in which a better feeling is likely to arise between the people of Ireland and the rest of the Empire. His Majesty's visit has demonstrated beyond doubt that the people of Ireland are at heart most loyal and enthusiastic. The suspicion caused by class and party feeling in the old country has alone been responsible for anything in the shape of doubt as to the loyalty of Ireland. Loyalty is often a term applied to a kind of affection for the reigning monarch, but in its truer sense it has to do with devotion to law. In that respect I claim that there is no reproach upon the people of Ireland. A nation has a right to protest against bad laws, and to resort to constitutional means of righting them, and I contend that the loyalty of Ireland is loyalty in the best and highest sense. Loyalty is shown to the King as the head and embodiment of the law. But the devotion of the people of Ireland to the law itself, in the abstract, has never been doubted. If we turn to the records of crime, we find that the Irish are perhaps the most law-abiding people in the world. There is no other country where serious crimes are less prevalent, and even in the matter of political crimes, which in many cases have been manufactured, Ireland bears favorable comparison with Australia, which has a very good record. As Mr. Gladstone pointed out in his great Home Rule speech, from 1832 to the passing of the Reform Bill there was no Crimes Act in force, with the result that there was no crime. After that, however, Crimes Acts were continuously in operation. There was special legislation for the suppression of crime, and, in consequence, it increased. We have to face the great historical fact that coercion by special legislation invariably produces crime, whereas ordinary laws either suppress or keep it under control. That has been the history of Ireland. Coercion Bills have bred crime. I belong to a people who are perhaps the most law-abiding in the world. They are reputed to keep the Sabbath Day, and everything else on which they can lay their hands, but as the result of special legislation passed in connexion with the Crofters—legislation similar to that applied to Ireland—crime became rampant among

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the people of the Highlands, who are regarded as a God-fearing class. Coercion and suppression—the suspension of the ordinary law—have been responsible for the charge of disloyalty made against the people of Ireland. Many of the crimes committed there have been the result of bad legislation.

Mr. McDONALD.—When we opposed the sending of troops to South Africa to fight for Chinese we were told that we were disloyal.

Mr. RONALD.—That is so. But, coming back to the nominative of the proposed address, namely, our respect for the Throne, I would point out that this is a proposal that we should avail ourselves of the privilege of the humblest citizen in the realm to approach so high and exalted a personage as His Majesty the King. We wish to take advantage of that right, as well as of the fact that His Majesty has more than once shown that he can appreciate the loyalty that has been demonstrated by the Irish in fighting the battles of the Empire. That, according to my honorable friends opposite, is the true test of loyalty. I should not have touched on this matter but for the fact that it has been dragged in with very bad taste, and I feel that I am bound to answer the statement that has been made. A Commission, which sat after the Crimean war, reported that 47 per cent. of the troops which took part in that war were Irish, while 57 per cent. of the officers were also of Irish birth. We all know that the vast majority of British troops which took part in the South African war were Irish, and that the majority of the generals also claimed Ireland as their place of birth. If any section of the people of the Empire have fully demonstrated their loyalty and their readiness to share the burdens of the Empire by fighting its battles the Irish have done so. Unfortunately, they have not served under a very thankful master. All that they have received in return has been prolonged contumely and contempt.

Mr. SPEAKER.—As the time allowed for the consideration of notices of motion has expired, I desire to know whether the honorable member wishes leave to continue his speech?

Mr. RONALD.—As I have only reached my prefatory remarks I should certainly like leave to continue.

Mr. SPEAKER.—Is it the pleasure of the House that the honorable member have [illegible] continue his speech at a later date?

[illegible]LE MEMBERS.—Hear, hear.

Mr. HIGGINS.—Is it too late to suggest, Mr. Speaker, that as the private business which remains to be considered to-day does not appear to be of any urgency, the honorable member should have leave to continue his speech this afternoon?

Mr. SPEAKER.—If the honorable member for Southern Melbourne wished to continue his speech now, it would be competent for him to move the postponement of the Orders of the Day until after its conclusion; but as he has asked leave to continue it on another day, I take it that he has no desire to proceed further to-day.

Mr. RONALD.—I am not anxious to continue my speech this afternoon.

Leave granted; debate adjourned.

STATE TAXATION OF FEDERAL AGENCIES.

Debate resumed from 10th November, (*vide* page 6848), on motion by Mr. HUTCHISON—

> That, in order that all citizens of the Commonwealth may be placed upon an equal footing with respect to income tax, the Government should introduce a short Bill for the purpose of imposing a Federal Income Tax, to apply to all persons in the Commonwealth, who, by the decision of the High Court, escape payment of State income tax.

Mr. KELLY (Wentworth).—This is a most important question. In my opinion, honorable members have not thoroughly grasped the issues involved in it. The High Court has complained—I think with justice—that its judgment was not reported in the daily press with sufficient fullness.

Mr. DEAKIN.—We have not yet seen a copy of the full report.

Mr. KELLY.—No. It is to be deplored that the House is not in possession of the full report, so that honorable members may adequately discuss the question.

Mr. HIGGINS.—The Attorney-General has promised to distribute a copy of the full report to every member of each House.

Mr. KELLY.—I understand that the Prime Minister is using every endeavour to fulfil that promise as soon as possible. In order to refresh the minds of honorable members in regard to the opinions of the High Court, I propose to read a few extracts from its judgment—not a sufficient number, I hope, to bore them, or to make them impatient, but enough to make the position clear. The judgment was given on an appeal by the honorable member for Hume and the honorable and learned member for Ballarat, in their private capacities.

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Mr. DEAKIN.—As representative of all others affected.

Mr. KELLY.—Yes. I hope that my honorable and learned friend did not think that I wished to put a stigma on him for acting in so friendly a manner on behalf of our honorable friends opposite.

Mr. PAGE.—What about the honorable member himself? Why "honorable friends opposite"? I paid my income tax.

Mr. DEAKIN.—The only advantage that we gained was responsibility for costs.

Mr. KELLY.—I am glad to hear that the honorable member for Maranoa has paid his income tax, and I hope that all honorable members will do so.

Mr. DEAKIN.—We have paid.

Mr. KELLY. — The case was one in which two honorable members, acting on behalf of all the members of this House, took upon themselves the responsibility of appealing against the judgment of the Victorian Court. In stating the decision of the High Court, the Chief Justice of Australia said, amongst other things—

According to the Constitution, the salary of the Governor-General might not be altered, and if the Federal Parliament attempted to impose an income tax of 2s. on it, the effective salary would be reduced by 10 per cent., whether deducted first or collected afterwards.

That is a self-evident fact. If the Constitution is at fault, I do not think either the High Court or this Parliament should be blamed. The fact remains that if income tax is levied upon salaries fixed by the Constitution, they are reduced by the amount of the tax, and consequently there is an invasion of the Constitution whenever such a tax is levied. The Court thought that the tax under consideration—

was in substance, if valid, both a tax on the income of the appellants and a diminution of that income. The next question was whether such an imposition or diminution made by the authority of the State would, if valid, fetter, control, or interfere with the free exercise of the legislative or executive power of the Commonwealth.

The Court held that that question seemed to supply its own answer. That answer is very obvious. If the States have the power to tax Federal officers, they have the power to seriously interfere with the agencies and instrumentalities of the Commonwealth. We know that the States would not so interfere intentionally, but their desire is that all Federal officers shall—as in equity we all admit they should—be subject to the same taxation as the rest of the community. The point is, however, that a State might at any time, by levying a special tax on Federal agencies, resist the Federal authority within its borders. That was one of the reasons of the High Court for upholding the appeal. As the Chief Justice further pointed out—

In the case of the Commonwealth, the argument for the destruction of uniformity of compensation had especial force, when it was remembered that the income taxes in the several States were unequal in their incidence. In order, therefore, to give effect to the provisions of the Federal laws regulating the salaries of officers, it would be necessary to make special provisions for adjusting their incomes when transferred. State taxation of Federal salaries was open to two objections—(1) In effect, it diminished the recompense allotted by the Commonwealth to its officers, and so interfered with its agencies; and (2) it interfered with the freedom of action of the Commonwealth in the transfer of its officers from State to State, except at the risk of doing them an injustice, only to be remedied by the appropriation of Federal revenue for the purpose.

The second point made by the Court is that, owing to the fact that the income taxation levied by the States is not uniform, the freedom of the Commonwealth to transfer its servants from one State to another is very seriously interfered with. If the Constitution is at fault in that regard, we can hardly blame the High Court for interpreting it, or ourselves for acting under it.

Mr. POYNTON.—What has this to do with the motion?

Mr. KELLY.—It has everything to do with the motion, which affirms the desirability of passing a short Bill to impose a Federal income tax, to apply to all persons in the Commonwealth who, by the decision of the High Court, escape the payment of State income tax.

Mr. POYNTON.—The motion does not question the judgment of the High Court.

Mr. KELLY.—I have yet to learn that the honorable member, although competent to speak on so many subjects, is competent to act as the Speaker of this House. If Mr. Speaker holds that I am not in order in quoting these passages, I shall be pleased to bow to his ruling and to that of the honorable member. I do not, however, regard these quotations as irrelevant.

Mr. POYNTON.—The motion does not question the judgment of the Court.

Mr. KELLY.—Neither do I. I am merely informing honorable members as to the reasons for the decision of the Court, so that they may be fully seized of the facts before dealing with the question at issue.

Mr. POYNTON.—The honorable member has not yet touched the question at issue.

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Mr. KELLY.—My honorable friend is very impatient. Why does he not go to the Treasury, and there pay over the taxation at issue?

Mr. POYNTON.—I have paid it.

Mr. KELLY.—I am very glad that the honorable member has done so. The Chief Justice pointed out that—

The Constitution did not purport to confer any new powers on the States, and their existing powers included unlimited powers of taxation on all property within their limits, and persons who came within these limits by their permission. Such a power was an attribute of sovereignty, and extended to all persons to whom the sovereignty still extended *quoad hoc*. But could it have ever applied to a person who came, not by the State's permission, but under the direction of a paramount sovereign power, to perform duties assigned by it, such as a British Admiral stationed in State waters for the whole or part of a year? It was manifest that in the case of a person sent to live in a State, without choice on his part, a law which imposed, as a condition of his residence, the obligation of contributing portion of his official salary to the State revenue, was an interference with the freedom of action of the paramount sovereignty.

Mr. POYNTON.—Is it strictly accurate to say that an officer is sent to any State without his consent?

Mr. KELLY.—My honorable friend was just now trying to call me to order for questioning the decision of the High Court, and we now find him endeavouring himself to do something of that nature. I shall not treat his interjections as serious.

Mr. POYNTON.—I think that the honorable member is misreading the judgment.

Mr. KELLY.—I have quoted the three points on which the High Court laid great stress, and in regard to which laymen can form an opinion with as much facility as the legal gentleman who framed the judgment. To recapitulate these points very briefly, they are as follow:—First, a tax imposed by a State on a Commonwealth officer might in an extreme case be made to interfere very seriously with an instrumentality of the Commonwealth, by compelling it to pay additional salary to the officer so concerned; secondly, the unevenness of the income taxation of the various States would restrict the Commonwealth power to send its officers into any State that it might desire; thirdly, the State has power of taxation only over persons who come within its borders with its own consent and authority. Federal members come to Victoria, not with the permission and authority of this State, but by the order and desire of a paramount power, the Commonwealth of Australia. Consequently, unless the States have been given by the Constitution a new power to tax Federal servants, they have no legal right to exact income tax from them. In stating these three points, I am discussing solely the legal aspects of this most important question. I have, so far, dealt with the legal aspect of the question. I now propose to address myself as briefly as the importance of the subject will permit to the equity side—to the great question whether there shall be established in the Commonwealth a privileged class, which, under the protection of the technicalities of the law, shall be able to evade payment of taxation similar to that which their fellow-citizens have to bear. Federal servants, although they may be sent into a State by the authority of the paramount power, yet enjoy all the protection and safeguards which the State offers to its ordinary citizens. Therefore, it is obvious that from the point of view of equity, the Commonwealth servants should contribute towards the cost incurred in affording the security which they enjoy equally with their less happily-situated State confreres. I have indicated the dangers attached to the States being permitted to tax Federal officers, and although they are not particularly imminent, a State might, in an extreme case, seek to harass the Commonwealth authority within the State area. I think honorable members will agree that we should endeavour to avoid any possibility of that happening. We seem to be debarred, not only by the law, but by considerations of ordinary prudence, from running any such risk. At the same time, we must endeavour to exercise our authority in the direction of equalizing conditions, and removing the injustice which will be involved by the continuance of the present state of affairs. The motion proposes that a short Bill shall be introduced for the purpose of imposing a Federal Income Tax, which shall apply to all persons in the Commonwealth Public Service, who, by the decision of the High Court, escape payment of a State Income Tax. The proposal is that we should ourselves tax our own servants. We have already heard the arguments urged in favour of that proposal. I now desire to discuss the objections to it. I think the greatest objection rests upon the fact that the direct taxation of Federal servants may be used in the future, and inevitably will be used, as the thin end of the wedge of universal direct taxation by the Commonwealth.

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Mr. POYNTON.—Does the honorable member think that direct taxation is bad?

Mr. KELLY.—I shall show the honorable member why I think that direct taxation by the Commonwealth—not by the States—is bad. If the Commonwealth were to impose direct taxation it would have to avail itself of one of the means of raising revenue of which the States have at present the exclusive use. That would involve a duplication of authority in one of the avenues of taxation. We all know that when the Commonwealth came into being the States agreed to give up their principal means of raising revenue, namely, Customs duties. We know also that they have retained, among other things, an unlimited right to levy direct taxation upon their own citizens. If we established a dual system of income taxation, we should depreciate the value to the State of that means of taxation, and thereby seriously interfere with its opportunities for raising revenue. Honorable members know—even those who believe in the single tax—that there is a limit to the amount that can be extracted from the public by means of a tax. As the matter stands at present, the States have absolute power to impose taxation to the uttermost. If we exercise our authority in the same direction, we shall limit the opportunities of the States, and consequently interfere with the agencies and the powers of the States. As one who has always desired to safeguard and protect the powers of the States, I find myself in an extremely difficult position. How could we answer to the States for the injustice that would be done to them if we imposed a tax which would prove to be the forerunner of an attempt to interfere with their present powers of taxation?

Mr. POYNTON.—How would our imposition of an Income Tax upon Federal officers interfere with the powers of the States?

Mr. KELLY.—I am pointing out that if we passed any such enactment we should be introducing the thin end of the wedge for the imposition of direct taxation by the Commonwealth. From the stand-point of the States, that is the first, and, I think, the most serious objection to the Commonwealth seeking to impose this form of taxation.

Mr. POYNTON.—The honorable member evidently fears the imposition of a land tax.

Mr. KELLY.—The honorable member mistakes me. I do not fear anything of the kind. I do not object to Land or Income Taxes in themselves; but I wish the Commonwealth to refrain from interfering with the rights of the States to exact from their citizens the utmost amount they can raise by such means.

Mr. POYNTON.—I wish to understand how an Income Tax imposed by us upon our officers would interfere with the rights of the States?

Mr. KELLY.—We should interfere with their rights, because there is a limit to the amount of Income Tax that it is possible to exact from the people.

Mr. POYNTON.—But the States cannot exact Income Tax from Federal officers.

Mr. HUTCHISON.—Why should we not impose a Federal instead of a State Income Tax?

Mr. KELLY.—That would be introducing the thick end of the wedge. I am endeavouring to point out that if an Income Tax were imposed by the Commonwealth without any restriction, either by constitutional process or otherwise, the rights of the States would be exposed to great danger. Any risk upon that score, would, however, disappear if we decided that the income tax imposed by us should for all time be levied only upon Federal officers. If that safeguard were provided, I should welcome a proposal such as that now before us. The Federal servants are divided into three classes. In the first place, there are the departmental officers, who are resident in their own States; secondly, the departmental headquarters' officers resident in Melbourne; and, thirdly, the members and officers of the Commonwealth Parliament. Speaking purely from the point of view of equity, I do not see why departmental officers residing in their own States should not pay income tax to those States for the security which they enjoy in common with their fellow-citizens. The departmental headquarters' officers, who are resident in Melbourne, are, in one particular, in much the same position as the officers of this Parliament. They are here as guests of Victoria, pending the establishment of the Federal Capital. In the meanwhile these officers should not escape from the payment of their share of taxation, but the question is, "To whom shall they pay it?" The salaries of these officials are not being paid solely by the citizens of Victoria. They are here as guests, and if an attempt were made by Victoria to extract taxation from these officials for State purposes, and not for those of the Commonwealth at

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large, she would be taking up very much the same position as a person who invited another to stay with him, and who when the last train had gone, and no other accommodation could be obtained, endeavoured to extract payment for the hospitality he had extended. In conclusion, I should like to say that honorable members can, without passing a Bill, overcome the difficulty by rushing the Treasury with offers of their conscience money. We may all do that, and thereby save a good deal of trouble, and that is the course which I hope most honorable members will follow. I am content to believe that those honorable members who may oppose this motion are prompted to do so solely upon national grounds. I realize that people outside this House will be apt to attribute all sorts of base motives to us when we arrive at an inevitable conclusion upon this motion, whether it be this afternoon or next session. But, irrespective of what view may be taken by the House, even if its decision is opposed to my own view—and I hope I have made it quite clear—that I am entirely in favour of the proposal under consideration. If, however, others oppose the motion, I shall credit them also with being actuated only by a desire to act in the very best interests of the Commonwealth.

Mr. DEAKIN (Ballarat). — From the first, the question which is now before us has been complicated by the action which was taken in this State when an attempt was made to collect income tax from Federal representatives resident in other States, who merely visited Victoria for the purpose of discharging their legislative duties. A number of honorable members felt that any tax of that character which might be payable by them was legitimately due to the State to which they belong. Privately I made strong representations to the Victorian Government—I regret to say without avail—that any levy should be limited to the Federal representatives of Victoria. It was that incident which first provoked the feeling antagonistic to this tax. In the next place the attempt to collect taxation upon the salaries of Victorian representatives in itself raised a constitutional question, and when the attempt extended to salaries payable to the whole of the representatives of the Commonwealth, it raised a very serious question, of which, so far, no adequate appreciation has been evidenced in the columns of the press. So far as I am aware, it has not been observed that the very principle at stake in the endeavour to levy income tax upon the salaries payable to Federal officers is identical with that involved in the effort made in this Parliament to control the public servants of the States. It is the same principle inverted. I am aware that there are honorable members who maintain that the express language of the Constitution separates the case of the public servants of the States from any general principle. But, putting that technical contention upon one side, every one will admit that the Federal principle, that the spheres of action of the Commonwealth and the States should be preserved distinct—as was laid down by Chief Justice Marshall—the principle which forbade the Commonwealth to tax the servants of the States equally forbade the States to tax the servants of the Commonwealth. Consequently, we find that critics outside, who were violently in favour of that principle when the question of interference with the public servants of the States was involved, denounce it most severely when it is applied to Federal servants. When the question at issue was whether the Federation could impose any burden upon the States, they were strong in their determination to stand by the Constitution, but when the question involved is whether the States can impose burdens upon Commonwealth officers, they adopt an opposite attitude. I maintain that if they accept the one application of the principle they must accept the other. Under the feeling which was generated in consequence of the attempt to tax representatives outside of Victoria, it was thought necessary that two members of this Parliament, on behalf of all the public servants of the Commonwealth—whether in the Legislature or elsewhere, for we are all public servants—should be selected as defendants in order that test cases might be submitted to the Court. As I was Attorney-General at the time, I could not refuse to allow myself to be nominated as one of the defendants, although, as a matter of fact, I have always, under protest, paid income tax to Victoria. As Attorney-General at the time, I was perfectly willing to become a nominal defendant in these cases, brought in reality against all persons who received salaries from the Commonwealth. The honorable member for Hume, who was a member of the same Administration, also kindly consented to allow his name to be used to represent those public servants who do not live in Victoria, but who

transact a part of their business—legislative or otherwise—within its bounds. As I have said, I paid income tax in this State under protest.

Mr. KING O'MALLEY.—And the Government will not return it.

Mr. DEAKIN.—The cases were considered by the Victorian Supreme Court, and finally, upon appeal, by the High Court, which gave a most important decision in the matter. Of this we have up to the present time had an opportunity of reading only a fraction, which appeared in the public press. If I may be permitted to say so, that fraction appears to be based upon the soundest principles of Federal law, which it will be absolutely necessary for this Parliament to maintain at any cost. It is the all-sufficient principle that, in just the same way as we refrain from any interference with the States or with their public servants, so as not to impair the efficient discharge of their public duties, we demand that our independence shall be likewise preserved, and that our public servants and agencies shall be equally free from interference by the States.

Sir JOHN FORREST.—We did not refrain from interfering with the public servants of the States, when we included railway employés in the Conciliation and Arbitration Bill.

Mr. DEAKIN.—When that Bill comes before the High Court, I am convinced —in view of its recent judgment—that it will declare that provision unconstitutional. The same principle which has protected the public servants of the Commonwealth from interference by the States, will guard their public servants against interference from us. It has been represented in the press that this is a question full of highly intricate, refined, and hairsplitting distinctions, which only lawyers can discover. Instead of that, it is the plainest common-sense principle, to which any two legislative bodies dealing with the same people must resort. We each have a duty to perform to the electors of Australia. In our Constitution we have distinctly specified the work which we are called upon to perform. Legislation in regard to everything else remains with the States Legislatures, and is thus placed beyond our power. It would be absolutely impossible for the States to carry out the behests of the electors, if we, sitting here and representing those electors, and also a great many more, were to trench upon their functions. So in order that the Federation may do its work we must protect our own Government, and our own public servants against encroachments by the States. Without those mutual abstinences Federal government is impossible, and the Constitution is not worth the paper upon which it is written. Without them, no Federal spirit can be created, and no permanent work can be done. We deal with the fundamental basis of Federation when we say that the agencies of the Commonwealth Government, its Members of Parliament, and its public servants as such, must stand outside the control of the States. If the States have power to impose taxation upon Federal servants, what is there to prevent them from increasing that taxation, until it becomes absolutely destructive of the income which they receive? There would be nothing to prevent them from destroying all the functions of government which we are called upon to exercise. Similarly, we might destroy their authority. Consequently, I hold that, just as the Federation must keep within its own domain—which is large enough, in all conscience—the States must be kept within their own domain. Under these circumstances, it appears to me that the judgment of the High Court is absolutely sound. It constitutes a declaration of Federal independence, and of the right of our public officers to act without interference by any State. We have put ourselves and them in a proper position to enable us to discharge our duties to the people of this country.

Mr. MCWILLIAMS.—Would the same principle apply to taxation of land?

Mr. DEAKIN.—So far as I am aware, there is no question regarding the exercise of any Federal powers which would affect the private ownership of land. If there were, in my opinion the taxation would be bad. I cannot conceive that the private ownership of land could be involved in this connexion.

Mr. MCWILLIAMS.—I was referring to the case of a Federal servant who might own a house.

Mr. DEAKIN.—He must pay in that case. We have to protect Federal public servants in the discharge of their public duties. Outside of that, they must obey the laws of the States in which they reside, because they are not then acting as public servants. Of course, if a Federal officer were using a house or land for Federal purposes, the case might be altogether different. The line of distinction is drawn between

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Federal public servants as such, and Federal public servants as citizens. If this Parliament should ever impose an income tax, it will have no right to levy upon the salaries paid to the public servants of the States, because we shall not be able to impair their ability to discharge their obligations to their employers. But having defended our just rights, we are brought face to face with another question, which is a very plain, simple, and practical one. Having established the fact that the Commonwealth public officers are legally and necesarily exempt from interference by the States, what are our moral obligations? I submit that, so far as they are concerned, there can be no question that this Parliament would be doing itself justice and honour if it required that each Commonwealth public officer should recognise the obligation upon him to stand shoulder to shoulder with his fellow-citizens in bearing the taxation imposed by the State in which he resides. If we provide for that by Federal law, as I think we have power to do, we shall have at once removed all cause of complaint. We shall have put ourselves beyond attack, and at the same time have done all that justice demands. I admit that it is not as easy as it may seem at first sight to devise a legislative scheme by which this can be effected. I have privately called the attention of the Ministry to the matter from time to time, and have made several suggestions, one of which, I think, should suffice to carry out our purpose, at all events during the ten years' period. We have merely to provide that the Commonwealth Government shall have the right to retain from the sum payable to any member of the Federal Public Service, or member of Parliament, the amount which would be levied under the income tax of the State in which he resides.

Mr. FULLER.—What about the States in which there is no income tax?

Mr. DEAKIN.—There would be no necessity to make any deduction from the income of an officer or member representing those States.

Mr. GROOM.—Could we retain any of the moneys payable to Ministers under the Constitution?

Mr. DEAKIN. — Under the Constitution the allowances to Members of Parliament are payable only "until the Parliament otherwise provides," and we can deal with them. I am aware, of course, that a sum of £12,000 per annum is payable to Ministers under the Constitution, and that we cannot make any deduction from that amount unless the Constitution be amended. I do not think, however, that if the provision I suggest is made, it will be necessary to pass any law requiring Ministers to discharge whatever they feel to be their obligation to their States. If the Federal Government took power to retain from the incomes payable to Members of Parliament and public servants of the Commonwealth, the sum which would be payable in respect of each income tax, the result would be that—while the present system prevails which allows the surplus remaining after the deduction of the Federal expenditure to flow back to the States—the amount so retained would go into the coffers of the State in which it was deducted, without any further action on our part. It might be necessary to pass an Order in Council clearly defining the State Acts recognised, and making the deductions perfectly definite. By an order of the Governor-General in Council, the Government would be able to retain from each member of the Parliament and each Federal public servant living in a State where an income tax was in operation the amount of the tax, and the money so retained would flow back to the State as part of the surplus, without any further act on our part.

Mr. KING O'MALLEY.—Does not the Constitution provide that there shall be no discrimination?

Mr. DEAKIN. — But this is not taxation.

Mr. SKENE.—How could the money be distributed in this way if there was no income tax in operation in some of the States?

Mr. DEAKIN.—If a Federal public servant lived in a State in which there was no income tax in operation, he would not pay any tax.

Mr. SKENE.—But the amounts so deducted would not be distributed equally.

Mr. DEAKIN.—The money so retained by the Commonwealth would be distributed among the States entitled to receive it. Under our present system, whatever sum is expended by the Federation in a State is in the first place deducted from the revenue received there; then a deduction is made in respect of the total Federal expenditure, and the balance is returned.

Mr. GROOM.—We should grant it out of the Consolidated Revenue Fund upon a different basis to the different States. There would be no equality.

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Mr. DEAKIN.—The distribution would not be made on a more differing basis than that upon which the surplus is at present returned. If we expend more on work and buildings in one State than another, a deduction is made from the amount which would be otherwise returned to the first. I do not put this forward as a scheme which has been perfected. It has not been my duty to look into the matter with professional thoroughness, and I am now merely speaking as a lay member of the House might do.

Mr. PAGE.—How would the honorable and learned member get over this difficulty? Supposing that I paid £30 out of my allowance to the State of Queensland, in respect of income tax; the right honorable member for Swan would pay nothing, because there is no income tax law in operation in his State. That would not be equitable.

Mr. DEAKIN.—Queensland has an income tax law, but Western Australia has not.

Mr. PAGE.—The right honorable member for Swan does not work any harder than I do.

Mr. DEAKIN.—I shall not discuss that point with the honorable member; but I may say that in one sense he is right and in another he is wrong. The right honorable member for Swan is just as much entitled to bear any Federal expenditure as is the honorable member for Maranoa. But we have to remember that this does not relate to Federal expenditure. The honorable member for Maranoa would have to pay something because his State chooses to levy upon him as one of its citizens.

Mr. PAGE.—Let me pay the money; I do not wish it to be deducted from my allowance.

Mr. DEAKIN.—On the other hand, if there be no income tax in Western Australia, the right honorable member for Swan will be fortunate enough to escape.

Mr. KING O'MALLEY.—Would not the proposal of the honorable and learned member be an infringement of the decision of the High Court?

Mr. DEAKIN.—I may be wrong, but I think not. If the course which I propose will not serve the purpose, there are other means of giving effect to our desire. I wish to emphasize the point that the Prime Minister should make an effort to find some way to overcome the difficulty before we go into recess. The sum involved is trifling to the individual, but the principle at stake is important. The principle is that we, as citizens of the States, should shoulder the responsibilities which our fellow-citizens are called upon to bear; and as long as the collection which I suggest does not interfere with Federal functions, and is undertaken by Federal authority, we shall not impair the Federal Constitution.

Mr. JOHNSON.—Members of the Parliament do not receive salaries; they are paid an allowance.

Mr. DEAKIN.—In this case that is a distinction without a difference. Any sum paid to an honorable member, whether it be called an allowance or not, would come within the income tax provisions. If it would not, he would go free. I do not desire to elaborate my scheme, because, after all, it is merely a suggestion. I am perfectly willing to support any proposal in consonance with Federal law, but it is not easy to draw up such a scheme. I am told, on very fair authority, that for thirty years they have been endeavouring, without success, to pass such a law in Canada. I do not know that they are consumed with any burning desire to succeed. If they are not, that may have something to do with their want of success.

Mr. McCAY.—We do not wish this session to last for thirty years.

Mr. DEAKIN.—If the Government lasted with it, perhaps the Minister would not object. I merely make this suggestion by the way, and lay no special stress upon it. What I wish to impress upon honorable members is that it is desirable in the interests of the Parliament and the Public Service of the Commonwealth that we should deal with this question before the recess. Provided that the Federal authority is preserved—provided that it is a result of our own act as a Federal Parliament, having authority over our public servants—we ought to be perfectly satisfied to shoulder our responsibilities as citizens of the States. What we fought for in the recent test cases was the great principle of the control of our own services and agencies, and we have been successful. What we are perfectly prepared to allow the States we claim for ourselves. We recognise as the very foundation-stone of the Federation the declaration of Chief Justice Marshall that the States and the Commonwealth can only hope to operate on the same citizens, and do their work efficiently

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and practically side by side, if the sphere of each is clearly defined. It must be defined so that, without overlapping, without interference, without either impairing the right of the other, they shall be able to work together for the common weal. Justice demands that we shall do our duty as citizens of the States as well as citizens of the Commonwealth. By the decision of the High Court we have demonstrated our rights as citizens of the Commonwealth, and it now remains for us as citizens of the States to do our duties to the States to which we belong.

Mr. G. B. EDWARDS (South Sydney).—I believe that the honorable and learned member for Ballarat has correctly laid down the constitutional position. I felt from the first that the decision of the High Court was the only possible one; but the solution which the honorable and learned member has suggested is to my mind impracticable. Although we have established a sound constitutional principle, we are face to face with the fact that it has given rise to a feeling of injustice among the citizens of the several States. I shall not occupy the time of the House by dealing with this matter, as I might have done earlier in the session; but I should best express my view of what is the only solution of the difficulty by moving—

That all the words after the word "Commonwealth," line 6, be left out.

I think that the only solution of the difficulty is that the Federal Parliament should collect the income tax. My experience is that such a tax is fraught with great evils, more particularly in the smaller States. Taxation of this kind would be far better in the hands of the Commonwealth than in the hands of a State. In the little island State of Tasmania several attempts were made to impose an income tax, but they had to be abandoned, because of the inquisitorial nature of such a tax when applied to a small community. Even in New South Wales, the tax has given rise to trouble, owing to the fact that it leads to the undue disclosure of private business matters.

Mr. McLEAN (Gippsland—Minister of Trade and Customs).—I may mention for the information of the House that this question has been considered on several occasions by the Cabinet. We are fully impressed the desirableness of the public ser- of the Commonwealth bearing their iare of the responsibilities of citizen- but I can assure honorable members that it is extremely difficult to determine the best method of giving effect to our wishes. There are constitutional difficulties in the way, and we have also to face difficulties in regard to distribution, as well as the fact that there is no uniform income tax in operation. The Government, however, are determined to devise the best means possible, and as soon as they arrive at what they believe to be a fair solution of the difficulty, they will submit their proposals to Parliament. If we are unable to deal with the matter before the close of the session, that need not necessarily prevent Parliament from making any future legislation retrospective, so that no one shall be able to escape any portion of a charge that can be legitimately levied upon him.

Debate (on motion by Mr. WILKS) adjourned.

GOVERNMENT MANUFACTURE AND SALE OF TOBACCO.

In Committee (Consideration of Senate's Message resumed from 24th November, *vide* page 7423):

Motion (by Mr. FRAZER) again proposed—

That the Committee concur in the resolution submitted by the Senate.

Mr. ROBINSON (Wannon).—It has been alleged during the progress of this debate, and it was alleged in another place, that a certain combination controls the manufacture, importation, and sale of tobacco in Australia, and that therefore the Federal Government should take over the whole industry for the advantage of its citizens. I would point out, in the first place, that a combination such as is alleged to exist in the tobacco industry is not necessarily improper. During the past nine months we have heard in this Chamber an enthusiastic advocacy of combinations of workmen and employés generally, and if such combinations be justifiable, surely combinations of employers and manufacturers are also justifiable. Combination is hurtful only when it uses power and influence for unworthy ends, such as to gain profit by increasing prices and lowering the quality of the article it sells, by reducing wages, or by harassing the public, or interfering with the public health and comfort in other ways. Before we should be asked to take the tobacco industry under Government control, some more substantial reasons must be given than the alleged fact that a combination is now controlling that industry. The fact

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that certain persons in the tobacco trade have come to an understanding as to the prices at which they shall sell tobacco is not in itself a sufficient reason why the Commonwealth should take over the manufacture, importation, and sale of that article in Australia. I believe in the Government control of railways, waterworks, and other public services in regard to which, from the nature of things, competition cannot exist, and should therefore be under the control of the State. But the production and manufacture of articles of food, clothing, and consumption generally, does not exclude competition, and therefore Government control is unnecessary and undesirable except in the last resort. The manufacture and sale of tobacco is not *primâ facie* a subject for Government enterprise, because tobacco being an article which can be readily produced, imported, and sold, the industry gives scope for competition, and is primarily a subject for private enterprise. The honorable member for Kalgoorlie, and another representative of Western Australia, have quoted the example of the Republic of France in support of their contention that the Commonwealth should take control of the tobacco industry, but an investigation of the facts gives very strong reasons why we should not follow that example. French tobacco is notoriously the worst in the world, and English and American travellers on the Continent invariably take their own supplies of tobacco with them, to avoid having to smoke such a filthy and dirty compound. In support of what I have said about the character of French tobacco, let me quote from a book called *The Soverane Herb*, a history of tobacco, by W. A. Penn, published in 1901, in which, on pages 202 and 203, he says—

Cigarette factories are situated at Paris, Bordeaux, Marseilles, Mortaix, Nancy, Nantes, and Toulon. The tobacco, which has been aptly described as consisting of scorched linen flavoured with assafœtida and glue, is very coarsely cut, more so than for the pipe in England, and is very dark. The resultant cigarette is indescribably horrible. English smokers fail to recognise it as tobacco. Yet of these cigarettes France smokes some 300,000 millions a year; in any form but that of the cigarette it would be intolerable. An Englishman will face unmoved the armies of France or the howlings of her mobs, but from the cigarette he flies apace. In the Paris *Figaro*, a year ago, "Nestor" recounted his success with this horrible weapon. "There are still too many Englishmen in Monte Carlo. Still, during my trip I had the pleasure of making one old Englishman's life a misery to him by smoking him out, with my strong French cigarettes, from the railway compartment in which he sat with me. He left the carriage half asphyxiated at Lyons, and I felt that Fashoda was, at any rate, partially avenged. Childish, no doubt, but one must do what one can." Childish it was not, most certainly; France has no more terrible weapon than her cigarette.

I will quote next from a paper called *The Traveller*, wherein it is stated that—

One of the greatest grievances of a traveller is to be deprived of his favorite brand of cigarette. A few years ago Foreign Governments were very unreasonable on this point. Wherever you went you had to be content with the productions of the national regio—something black and strong, which spluttered with saltpetre as you smoked. At last the French Government has admitted Egyptian cigarettes.

Tobacco, a monthly journal published at Liverpool, says on the same subject—

As is well known, the products of the State monopoly of France, with the exception of its higher priced cigarettes and smoking tobaccos, are hopelessly inferior. French cigars of domestic manufacture are the worst in Europe—those of Italy alone excepted. The truth appears to be that tobacco manufacture in France has gotten into a rut, and there is not a man in the Republic who is strong enough to pull it out. For so rich a country as France, its State monopoly in tobacco is but a poor revenue producer.

I would remind honorable members that in Italy, as well as in France, the manufacture of tobacco is a State monopoly. So much for the quality of the article manufactured under State control. Let me now give honorable members the reasons why the manufacture of tobacco was made a State monopoly in France. Louis XIV., about the year 1674, was the first to establish a tobacco monopoly in France, but when the first free Parliament, which the French had had for about 200 years met, it at once abolished that monopoly, it was so seized of its defects. The monopoly was re-established in 1810 by Napoleon Bonaparte, purely for political reasons. As honorable members know, he was the author of that bureaucratic system of Government which is carried to a further extent in France than anywhere else in the world, and under which as much power as possible is concentrated in the hands of the Ministry of the day. All who vend tobacco in France have to obtain licences from the Minister of the Interior, who has thus placed in his hands a patronage which is used for political purposes, with similar results to those which flow from the "spoils to the victors" system of the United States of America —the friends of the Government are those who are most likely to obtain licences, just

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as in America the friends of the successful political party are those most likely to obtain billets.

Mr. BAMFORD.—That would not apply in Australia.

Mr. ROBINSON.—It might apply here. In Victoria we have, time and again, seen a distinct pandering to one section of Government employés. That would be aggravated if another large body of workmen were placed under Government control.

Mr. BAMFORD.—Would it not apply in regard to the granting of licences of every description?

Mr. ROBINSON.—No. If the tobacco industry were made a Commonwealth monopoly, every person engaged in the manufacture of tobacco, and in the wholesale and retail houses which now manage the tobacco trade, would become a Government employé, which would put an amount of patronage into the hands of the Government of the day which I think would be harmful to the public interest.

Mr. FRAZER.—What justification has the honorable member for saying that in France the monopoly was established for political purposes?

Mr. ROBINSON.—It was established in France by Napoleon, whose desire was to obtain as firm a grip as possible on every detail of administration, and to centralize as much power as possible in the Government. Probably, he also desired to obtain revenue. But what weighed more with him than any other consideration, as a study of his life and character will show, was his desire for unlimited power. I wish now to discuss the proposal of the honorable member from the point of view of the States. We have just had a debate on the effect of the decision of the High Court in regard to the non-liability of Federal officers for income tax taxation, and the injury thereby caused to the States. We are required by the Constitution to return at least three-fourths of the Customs and excise revenue collected until 1911. If the control of the importation and manufacture of tobacco, cigars, and cigarettes is taken over by the Commonwealth, the revenue collected upon those articles would not be returnable to the States, but would be entirely at the disposal of the Commonwealth Government. Thus great injury would be done to the States. In order to enable honorable members to appreciate the great importance of this industry, I would point out that tobacco, next to stimulants, is the most prolific item in the Tariff. From a return furnished at my request by the Collector of Customs in Victoria, I find that in 1903 the revenue collected from the duties upon tobacco, cigars, and cigarettes imported and manufactured in the Commonwealth amounted to £1,370,000. In New South Wales £595,000 was collected; in Victoria, £400,000; in Queensland, £128,000; in South Australia, £80,000; in Western Australia, £130,000; and in Tasmania, £30,000. I have given only the round figures. If three-fourths of this revenue were diverted to the Commonwealth, the States finances would be seriously depleted. Therefore, from this point of view alone the proposal should be very carefully considered.

Mr. FRAZER.—Is not the Senate the special guardian of State rights?

Mr. ROBINSON.—Yes, and it pays about as much attention to them as does the honorable member. The proposed Government control of the tobacco industry would involve an amendment of the Constitution, because we have no power at present which would enable us to enter upon the manufactures of tobacco. I would remind the honorable member for Kalgoorlie of the opinion given by the honorable and learned member for Ballarat when he occupied the position of Attorney-General in the Barton Administration, in connexion with the proposed establishment of ironworks by the Commonwealth At page 184 of the report of the Royal Commission upon the Bonuses for Manufactures Bill, the following letter appears:—

Commonwealth of Australia.
Attorney-General's Department,
Melbourne, 18th July, 1903.

Dear Mr. Kingston,

You ask for my opinion, for the information of the Bonus Commission, as to the powers, if any, of the Commonwealth to establish ironworks.

In my opinion no such power is included in the *express* gift of legislative powers to the Federal Parliament.

The trade and commerce power, vast though it is, does not appear to extend to production and manufacture—which are not commerce. Commerce only begins where production and manufacture end. See *Kidd* v. *Pearson*, 128 U.S. 1, 20. Moreover, the fact that the trade and commerce power is limited to external and Inter-State trade and commerce indicates that the power which the States undoubtedly possess to undertake Government industries within their own limits is not shared by the Commonwealth under this sub-section.

Under sub-sections 1, 2, and 3, taken together (trade and commerce, taxation, and bounties), the authority of the Commonwealth over industrial development is of the largest; but though

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it allows of control, regulation, and guidance, it in no respect points to direct establishment or management of any industries.

Nor can I find in any other part of the Constitution any express authority for the course suggested.

The implied powers of legislation remain to be determined, but include (under sub-section 39 of section 51) matters "incidental" to the exercise of the express powers.

The manufacture of iron may be incidental to the execution of many such powers, *e.g.*, defence or the construction of railways. The Commonwealth might clearly undertake the manufacture of any goods for its own use; and probably if it did so, and it were incidentally advantageous to the interests of the economical working of the undertaking that it should also manufacture for other consumers, such manufacture would also come within its implied powers. Except as above, it does not appear that any power to establish and conduct manufactures can be implied from the Constitution.

Yours faithfully,
(Sgd.) ALFRED DEAKIN.

If that is a sound opinion, it would apply with all the greater force to the present proposal. Under no conditions could the tobacco industry be regarded as having any relation to our defences, except in the sense that tobacco such as that manufactured in France may be used as a weapon of offence. The view taken by the honorable and learned member for Ballarat is sustained by some of the leading barristers in Melbourne and Sydney. An eminent K.C. in Melbourne, and a gentleman who is second to none in Australia as a constitutional authority, declare that no power is conferred upon us by the Constitution to enter upon the manufacture of tobacco.

Mr. FRAZER.—Does not the honorable and learned member for Wannon think that the tobacco combine are interfering with trade and commerce between the States, when they insist that goods supplied in one State shall not be exported to any other State?

Mr. ROBINSON.—I shall deal with the combine a little later on. In view of the fact that an amendment of the Constitution would be required, and that the Commonwealth control of the tobacco industry would involve a dislocation of the finances of the States, I contend that only the gravest reasons would justify the Federal Government in taking over the industry. Government interference in the industry might be justified upon some grounds, but the grave step of taking over the whole and sole control of the manufacture and importation of tobacco could only be justified in an extreme case.

Mr. LIDDELL.—It could not be justified on any ground.

Mr. ROBINSON.—I should not go so far as to say that; but certainly only the gravest reasons would warrant us in taking such a step. It is interesting to note the reasons which have been advanced by Senator Pearce and the honorable member for Kalgoorlie. They allege that there is a monopoly in existence, which exercises almost complete control over the manufacture and importation of tobacco, cigars, and cigarettes; that the monopoly has resulted in the closing of factories, the reduction of the number of hands employed, and the lowering of wages; that the combine will not permit retailers to start in business without their consent, that they dictate the prices at which their manufactured articles shall be bought and sold, that they prevent the retailers from buying from any other firm but Kronheimer and Co., and that all this tends to increase prices to the consumers. It is also claimed by those honorable members that the Federal Government by taking over the industry could make a profit, in addition to the revenue derived from the existing duties, of £673,000, according to Senator Pearce, and £628,000, according to the honorable member for Kalgoorlie. That is to say, that the Commonwealth Government could from this industry extract a revenue of about £2,000,000 annually. Finally, they say that this lovely plum of £2,000,000 per annum could be secured by the expenditure of £1,000,000. No doubt many of us have principles, but if we thought that by expending £1,000,000 we could secure £2,000,000 per annum, we should drop most of our principles, and reach out for the £2,000,000. I think I can show, however, that each and every one of the statements I have enumerated is either a gross exaggeration or utterly baseless, that the estimates of the revenue the Government would secure are ludicrous, and that the estimate of the cost of nationalizing the industry is absolutely puerile. In the first place, it is alleged that the tobacco industry is controlled by the combine. I have gone into this matter, in considerable detail, and I shall be in a position to show that the firm of Kronheimer and Co., which, so to speak, is the very head and front of this offending, does not represent all the manufacturers of tobacco, cigars, and cigarettes in Australia.

The following manufacturers are standing out of the arrangement:—

Tobacco manufacturers—Dudgeon and Arnell, Melbourne; Dungey, Ralph, and Co., Adelaide; New York and Brooklyn Tobacco Co., Sydney; Birt and Co., Brisbane.

Cigar manfacturers—Sniders and Abrahams, Melbourne; De Beer and Feries, Screen and Moss, T. Barnewall, G. A. Carter.

This Mr. Carter has been giving some most extraordinary statistics to the Select Committee. I am very strongly of opinion that he is at the bottom of all this fuss. He supplied honorable members of the Labour Party with a pamphlet advocating the nationalization of the tobacco industry, and his attitude at the present stage is well worth noting. Years ago, in Victoria, we had what were called £5 licences for the manufacture of cigars. Mr. Carter, with the assistance of some members of the Labour Party, established himself as a manufacturer, and he prospered, waxed fat, and kicked. Then he came to the conclusion that all cigar manufacturers should be charged a licence-fee of £50 — he then being in a position to pay that amount. Now he goes a length further, and proposes that the Government shall take control of the manufacture and sale of tobacco. The other manufacturers of cigars included in the list from which I was reading are:—

J. Roberts and many others in Melbourne; in Sydney—Hirschman, S. Levy and others, as well as firms in Adelaide and Fremantle.

Cigarette manufacturers—Sniders and Abrahams, De Beer and Feries, Louis Coen, and other small makers in Melbourne and elsewhere.

Mr. FRAZER.—Will the honorable member tell us the source from which he has derived his information?

Mr. ROBINSON.—I obtained my information from the fountain-head. I submitted a list of queries, and my information can be verified on oath. The information given by the honorable member for Kalgoorlie was supplied by a gentleman who has listened at back doors and has put forward a number of garbled statements.

Mr. McDONALD.—What is the value of the honorable member's brief?

Mr. WILSON.—I rise to a point of order. I desire to ask if the honorable member for Kennedy is in order in reflecting upon the honour of the honorable and learned member for Wannon, by inquiring what is the value of the brief that he holds?

Mr. McDONALD. — I withdraw the words.

Mr. ROBINSON.—Honorable members who know me realize full well that an interjection of that character must recoil upon the head of its author. When I read the statements which have been made in this Parliament, I put a number of questions to the persons who are alleged to be guilty of these crimes. I went further, and drew up a list of about fifty queries, in which I sought information upon each point that had been raised, informing the individuals to whom I refer that I would expect their statements to be verified on oath before a Select Committee or a Royal Commission.

Mr. FRAZER.—To whom did the honorable and learned member submit his inquiries?

Mr. ROBINSON.—To a personal friend who has been in the tobacco trade all his life.

Mr. FRAZER.—Why not give his name?

Mr. ROBINSON.—The information which I have obtained can be placed before the Select Committee which is inquiring into this mattei, and can be verified upon oath. The honorable member for Kalgoorlie can—if he chooses—submit my statements, which will be contained in *Hansard*, to that body, and call evidence to rebut them. As regards the import market, I find that the following brands of tobacco are not controlled in any shape or form by the alleged combine:—Taddy's, Copes, Ardath Tobacco Co., Craven, Gallagher, Watson and McGill, Zimmer and Co., also Tuckett and Son, and others. The following cigars are also excepted:—Frossard's, Ormond and Co., Tinchant and Co., Dresselhuys, Engelhardt and Biermann, S. Wolf and Co., Compania Generale, Manila, as well as all other Manila factories, excepting one, all Havana cigars, excepting those of the Havana Commercial Company, such as Upmann, Partagas, Larranaga, Flor de Benito Suarez, La Excepcion, Figaro, Romeo and Juliet, and many other brands. In cigarettes, all Egyptian, Turkish, English, and American makers—excepting one in each of these countries—come outside the operations of the alleged combine. It is not a fact that tobacco, cigars, and cigarettes cannot be sold in Australia without the consent of this firm. It is further alleged that this wicked combine has closed a certain number of factories, and thereby reduced employment. That statement is practically without foundation. There is just a scintilla of truth in it.

Mr. McDONALD.—Have they not closed factories in Queensland?

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Mr. ROBINSON.—No. The facts are that some years ago Messrs. Dixson and Co. established a number of branches of their Sydney factory. Prior to Federation they were obliged to pay the border duties upon any tobacco which they forwarded to the other States, but with the establishment of Inter-State free-trade they found that it was more economical to manufacture under one roof. Accordingly, they reduced the number of their factories. It is true that one company in Melbourne—the National Cigarette Company—has closed its factory; but it cannot be denied that there has been a very large increase in the number of persons who are employed in the tobacco trade. The next allegation to which I would direct attention is that the firm of Kronheimer and Co. and others who are interested in the tobacco trade upon a large scale pay their employés sweating wages, and generally indulge in brutal treatment of them. I have here a copy of a letter which was written by the States Tobacco Company Proprietary Limited to the President of the Trades Hall, on the 23rd February last. It reads—

Dear Sir,

The morning papers of the 21st inst. contain reports of a meeting of your Council held on a previous evening, which state that the following resolution was agreed to unanimously, namely—"That the Trades Hall Council render every legitimate assistance to the Cigar-makers' Union in its struggle against the introduction of sweated girl labour into Australasia." Although the name of this company is not specifically mentioned, the reports of the discussion show unmistakably that the resolution has reference to the operations of our Adelaide factory.

Your council appears to have adopted this resolution without any attempt at verification of the facts, and to have taken the allegations as to "sweated girl labour" made by Mr. Kirwan—the cigar-makers' delegate—as its basis.

We request your council to investigate the same, with a view to obtaining proofs, justifying the above resolution, or, failing these, of rescinding the same as far as this company is concerned.

That was a bold attitude for the company to take up. They continued—

To facilitate the investigation, and place its result beyond doubt, we make the following proposals:—

A tribunal of three persons to be appointed, one of whom to be nominated by your council; the other by us, and the third by these two nominees—a decision of the majority of the members to be conclusive.

The tribunal to specifically determine the following questions:—Whether or not there is any "sweated girl labour" employed in any of our factories.

The decision of the tribunal to be published in the *Argus*, *Age*, and *Herald* newspapers in such terms and manner as the tribunal may determine.

It is understood that all our wages books, wages sheets, and the like particulars will be placed freely at the disposal of the tribunal.

As your council may not have authority to disburse any moneys in part payment of the cost of this investigation, we are prepared to pay the whole expense, as also the cost of publishing the tribunal's verdict, whatever it may be.

As it is important to us that the public suspend its judgment pending this investigation, we trust that you will have no objection to our handing a copy of this letter to the press, and that you will give us a definite reply at your earliest opportunity.

That letter was published in the press. Having been accused of paying sweating wages to the girls in their employ, this company called upon its accusers to substantiate their allegations. They offered to bear the whole cost of the inquiry, and to allow the tribunal appointed for the purpose free access to their books and papers. This challenge was accepted by the Trades Hall Council, and a tribunal was accordingly appointed, consisting of Mr. F. H. Bolton, J.P., chairman of the Victorian Cigar-makers' Wages Board; Mr. R. S. Walpole, secretary of the Victorian Employers' Federation, and Mr. R. H. Solly, president of the Trades Hall Council. These gentlemen met, and their report, which has appeared in both the *Argus* and *Age* newspapers, throws a lurid light upon some of the allegations which have been made in another place. It reads thus—

Some weeks ago Mr. Kirwan, representative of the Cigar-makers' Union on the Trades Hall Council, made certain allegations against the States Tobacco Company Limited, to the effect that sweating was being carried on amongst the girls in the company's employ in Adelaide. The charges were challenged by the company, and eventually they were remitted to a tribunal, consisting of Messrs. F. H. Bolton, R. H. Solly, and R. S. Walpole. The tribunal met yesterday for final consideration of the dispute. Mr. Solly opened the proceedings by traversing the evidence given by the various witnesses, and quoting from various home authorities as to the meaning of sweating. In his opinion, this was based on the disproportionate wage paid to women in comparison with men employed on similar work. This, he considered, occurred in the work done in the Adelaide factory. After he had spoken for some three-quarters of an hour, Mr. Walpole replied, pointing out that the question before the tribunal was a plain-cut issue "whether or not there is any sweated girl labour employed in any of the States Tobacco Company's factories." Mr. Bolton, in giving judgment, stated that the question resolved itself into one as to whether the cost of covering the machine-made bunches, as fixed by the Wages Board, was too high a minimum, in comparison with the wages paid to cigar-makers for completing a cigar right through without machines. In his opinion, after seeing the wages books of the States Tobacco Company as to what wages an indifferent class of labour had made

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per week, he thought the price was too high in comparison with the earnings of the workman who made the cigar right through. He did not consider that the girls in the factory in Adelaide were being sweated, especially when one compared the wages paid for the small experience attained with those of other trades employing women.

Thus we find that the allegation of sweating was absolutely disproved.

Mr. FRAZER.—What does the honorable and learned member regard as a sweating wage in the case of women and girls?

Mr. ROBINSON.—That entirely depends upon the conditions surrounding the industry.

Mr. FRAZER.—Is the honorable and learned member aware that Mr. Jacobs stated that the average wage paid to women and girls in the factories of the company is 15s. 5d. per week?

Mr. ROBINSON.—I could give the honorable member the wages which are paid in France, where the tobacco industry is a State monopoly. There some of the operatives receive about 2s. per day. The British Australasian Tobacco Company pay the girl employés in their Melbourne factory 15s. 6d. weekly for day work, and 24s. weekly for piece work. In 1904 the average day and piece work wage paid to women employed in the States Tobacco Company's Melbourne factory was £1 18s. 8d., while the average day and piece work rate for girls was £1 0s. 11d.

Mr. FRAZER.—From what statement is the honorable member quoting?

Mr. ROBINSON.—These figures have been compiled from the books of the several factories. If necessary, those books can be produced.

Mr. FRAZER.—How is it that the rates quoted by the honorable and learned member do not agree with the statement made by Mr. Jacobs?

Mr. ROBINSON.—The honorable member loses sight of the fact that I am referring to the average wages paid to women and girls in the States Tobacco Company's Melbourne cigar factory in 1904. It has been alleged that the monopoly has discharged hands and reduced employment. The only statement made in support of that assertion is that a certain commercial traveller was dismissed. It does one good to see honorable members of the Labour Party practically shedding tears over the position of commercial travellers. I should like, now, to put before the Committee a comparison of the hands employed in the factories of the British Australasian Tobacco Company in Melbourne and Sydney, as well as the Melbourne cigar factory of the States Tobacco Company during the last three years. In 1902 they employed 825 hands; in 1903, 848; and in 1904, 1,103. In fairness to the honorable member who has submitted this motion, I should deduct from the last-named total the number of persons who have lost their employment as the result of the closing of the National Company's cigar factory in Melbourne. Fifty-eight persons lost their employment in that way, leaving a total of 1,045 hands employed in these factories in 1904, or an increase of 197 as compared with the number employed in 1903. These figures show that the statements that have been made as to the combine having reduced employment are as absolutely baseless as is the charge that it has reduced wages. As a matter of fact, the wages paid in the tobacco trade of Australia are higher than those prevailing in Europe or America. It has been alleged that the firm of Kronheimer Limited has boycotted retailers. No evidence has been submitted in support of that assertion, and I am assured that it is without foundation. Although those who make such an assertion have the protection of a Select Committee, they have not seen fit to submit evidence in support of it to that body. When one gives a moment's consideration to the facts of the case, he recognises that it is highly improbable that anything of the kind exists. Kronheimer Limited supply retailers to only a limited extent. The bulk of their trade is done with wholesale houses, who are naturally glad to sell to any one. The more customers they can obtain the better they are pleased. It has also been said that an attempt has been made to fix a minimum price. In dealing with that point, there are one or two considerations which we must bear in mind. No attempt has been made to prevent those engaged in the retail trade from obtaining as large a profit as they can from the sale of their goods. But honorable members who reside in the suburbs of Melbourne know that in a number of trades competition has been so keen that tradesmen have been forced, in self-defence, to agree as to the prices at which they shall sell their goods. In the grocery trade, for instance, prices have been cut so fine that many men have been forced into the Insolvency Court. The Tobacconists' Association of Victoria have for many years been endeavouring to secure the fixing of a minimum price for a number of

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articles so as to insure a living wage, and I believe that they have asked the assistance of the wholesale houses in that respect. Whether that course of action be justifiable or not, the combine is in no way responsible for it. I have known grocers and other tradesmen to keep a stiff upper lip in the face of cut-throat competition, and then go under, and in these circircumstances, I feel that there is a good deal to justify the making of an agreement to sell goods at a certain price in order that the retailers may make as much as they can. That course is followed in all the ordinary walks of life. Whether a man belongs to a trade union or any other body, he usually agrees not to sell his labour under a certain price. A further allegation has been made that, as the result of the combine, the price of goods has been increased to the consumer. In reality, there has been no general increase. It is true that there has been a trifling increase in one or two cases, and a trifling decrease in others; but nothing more. For example, the price of "Yankee Doodle" tobacco in Sydney has been slightly increased, but that has been due to peculiarly local conditions. In the vast majority of lines, the price to the consumer remains absolutely untouched. I shall not have time to deal with all my notes; but I desire to briefly discuss the alleged profit which, according to the honorable member for Kalgoorlie, would he secured by a State tobacco monopoly. He did not give all the figures; but Senator Pearce, in dealing with the matter in another place, made a complete statement of what he thought to be the facts upon which he based his caluculations.

Mr. WATSON.—Who prepared the honorable and learned member's brief?

Mr. ROBINSON.—That is a most improper remark.

Mr. KELLY.—I rise to order. The honorable member for Bland has made a distinct reflection upon the honorable member for Wannon. He asks, "Who prepared the honorable and learned member's brief?" as if the honorable and learned member were uttering sentiments in which he did not believe.

The CHAIRMAN.—I fail to see that any reflection has been cast on the honorable and learned member; but I ask him to say whether he thinks that the honorable member has reflected upon him.

Mr. WATSON.—I did not intend to reflect upon the honorable and learned member. I observed that he had a mass of typewritten notes, and that prompted the query.

Mr. ROBINSON.—I explained when the honorable member was absent that when this question was discussed in the Senate, I asked a friend of long standing, who is engaged in the trade, to supply me with a full statement dealing with the matter. He submitted a statement to me, and I then demanded a full and complete answer to forty or fifty queries which I put to him, telling him at the same time, that I desired to be placed in possession of facts which could not be gainsaid. I am assured that every statement I have made with regard to this question can be verified on oath. The companies are ready at any time to produce their books in support of them.

The CHAIRMAN.—As the time allotted to private members' business has almost expired, perhaps the honorable and learned member would like progress to be reported?

Mr. ROBINSON.—I think this would be a convenient stage at which to do so.

Progress reported.

CONCILIATION AND ARBITRATION BILL.

In Committee (Consideration of Senate's amendments resumed from 30th November, *vide* page 7664):

Clause 4—

"Industrial dispute" means a dispute in relation to industrial matters—

(*a*) arising between an employer or an organization of employers on the one part and an organization of employees on the other part, or

(*b*) certified by the Registrar as proper in the public interest to be dealt with by the Court—

and extending beyond the limits of any one State, including disputes in relation to employment upon State railways, or to employment in industries carried on by or under the control of the Commonwealth or a State or any public authority constituted under the Commonwealth or a State; but it does not include a dispute relating to employment in any agricultural, viticultural, horticultural, or dairying pursuit; . . .

"Industry" means business, trade, manufacture, undertaking, calling, service, or employment, on land or water, in which persons are employed for pay, hire, advantage, or reward, excepting only persons engaged in domestic service, and persons engaged in agricultural, viticultural, horticultural, or dairying pursuits; . . .

Senate's Amendment.—Leave out "but it does not include a dispute relating to employment in any agricultural, viticultural, horticultural, or dairying pursuit," lines 16 to 18.

Upon which Mr. McCAY had moved—

That the amendment be disagreed to.

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Mr. POYNTON (Grey).—When progress was reported last night, I was referring to the fact that the Prime Minister has frequently stated that he fully appreciates the good which has been done by trade unionism, and that if he were an artisan or a workman he would become a member of a trade union. Notwithstanding these declarations, however, he is now asking us to pass into law a measure which, if not materially amended, will, in my opinion, strike one of the most serious blows at trade unionism which it has ever received. Right back from the earliest history, as the workers emerged from slavedom, through serfdom, to their present position, trade unions and organizations have been forced to secure reforms by political action. It is the trade organizations which have been behind every political reform brought before the public. They have kept reforms to the front until public opinion has been focussed upon them, and legislators have taken them up, and have supported the necessary legislation with all their strength. Long before there was trade unionism in Australia the trade unions played an important part in political reform in England. A few years ago, after the industrial struggles of 1891, the workers of this country were advised by the members of Parliament, the Judges, and other men in high positions in the States, to abandon the old barbarous method of striking, and to seek to obtain by constitutional means the redress of their grievances.

Sir JOHN FORREST.—It is clearly laid down by all the authorities that when an amendment is before the Committee the discussion must be confined to it. I submit that the honorable member is now making a second-reading speech.

The CHAIRMAN.—The right honorable member was not here when it was agreed to allow a general discussion on the Senate's amendments.

Sir JOHN FORREST.—That is most unusual.

Mr. REID.—It is irregular, but that was the arrangement.

Mr. POYNTON. — The action of the right honorable member for Swan shows how little interest he is taking in this matter. Otherwise he would know that the Prime Minister dealt with the amendments in a speech which traversed the whole question, and that other honorable members have followed on the same lines. The effect of the advice given in 1891 is shown by the representation of the Labour Party in, not only this Parliament, but every one of the States Parliaments. Now, however, we are asked to pass a measure which will take away the political rights of the trade unionists, and subject them to boycotting throughout Australia.

Sir JOHN FORREST.—Are men boycotted in Tasmania, South Australia, Western Australia, or Queensland now?

Mr. LONSDALE.—The men, as well as the masters, have practised the boycott, as the honorable member knows.

Mr. POYNTON.—I do not see the relevancy of the interjections. I know of many cases in which men have been black-balled and boycotted throughout an entire State, because they have been the mouthpiece of their fellows in order to secure some reform. If preference is not given to unionists when there are just grounds for asking for it, the industrial organization which is the machinery of the Bill will be a curse to trade unionists.

Mr. JOSEPH COOK.—I wish it were possible to prevent boycotting by legislation.

Mr. POYNTON. — I believe that to give preference to unionists will prevent boycotting. It is also proposed to deprive trade unionists of their right to engage in politics. Hitherto they have had the right to support the election of a candidate to Parliament, to hold political meetings, and to take other political action. But if the Bill is passed as it stands——

The CHAIRMAN. — The honorable member must not discuss this subject.

Mr. POYNTON.—I am discussing the effect of the Bill in depriving trade unions of the right to take political action.

The CHAIRMAN.—If the honorable member will refer to the printed amendments, he will see that that question is not before the Committee.

Mr. POYNTON.—I understand that a large number of honorable members have during the past two days been trying to arrange an amendment which will meet every difficulty, but if we cannot discuss the political aspect of the provisions now in the Bill their efforts will be wasted.

The CHAIRMAN.—I cannot give a ruling as to some amendment which may be moved at a later stage, but in none of the four amendments now before the Committee, upon which a general discussion is being allowed, is there anything affecting the political purposes of trade unions.

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Mr. POYNTON.—I understand that one of the amendments before the Chair is to insert in clause 55 the words—

And further provided that no organization shall be entitled to appear before the Court to oppose an application for preference by any organization, so long as its rules or other binding decisions permit the application of its funds to political purposes, or require its members to do anything of a political character.

That being so, I think that my remarks are strictly in order.

The CHAIRMAN.—The amendment does not refer to trade unions, it refers to employers' organizations. The honorable member was dealing with the political purposes of trade unions.

Mr. POYNTON.—That seems to me a technical objection. I am not going into a long discussion of the subject, but I wish to show that the Bill, if passed as it stands, will take away rights which trade unionists at present enjoy, by preventing them from applying for preference if they have spent as much as it would cost to print a poster announcing the holding of a political meeting. That will do them considerable injury. There is no doubt that this measure was introduced primarily in the interests of the trade unionists. If, however, it is provided that no trade union shall incur expenditure in the direction I have indicated. even to the smallest extent, the measure. instead of proving a blessing, will be a curse.

Mr. JOHNSON.—The measure is intended to secure the settlement of industrial disputes.

Mr. POYNTON.—Exactly. But it would never have been thought of but for the fact that trade unions have had to resort to strikes, which have inflicted great loss upon the community. The Bill was intended to provide a peaceful means of settling disputes.

Mr. JOHNSON.—We have a right to insure that it shall not be converted into a political machine.

Mr. POYNTON.—Honorable members have no right to declare that trade unions which have been in existence for many years shall be denied an opportunity to secure preference for their members.

Sir JOHN FORREST.—They have got along very well without preference in South Australia.

Mr. POYNTON.—The South Australian Act is faulty, and has never been brought into operation. If once this Bill is passed the whole of the trade unions will become subject to it whether they like it or not, and I am appealing to honorable members to divest the Bill, as far as possible, of its objectionable features, in order that it may be made acceptable to those who are most directly affected by it. I wish to say a word or two with regard to the statements made by representatives of the employers' associations and others who are opposed to the aims and objects of the Labour Party, to the effect that all the financial difficulties under which we are now labouring in Australia are due to the socialistic legislation which has been passed in the States and Commonwealth Parliaments. I can hardly conceive that honorable members believe that there is any truth in such statements. I appeal to the honorable member for Grampians, whether our present condition is not due to the very heavy losses which have been inflicted upon the community by the disastrous droughts of the last few years. I find that, during the last ten years, the number of sheep in four States of the Commonwealth has been reduced from 102,000,000 to 61,000,000. If we assess the value of these sheep at the very low rate of 5s. per head per annum, we shall see at once that we have been sustaining a loss of £15,000,000 per annum for some years past. During the same period, our herds of cattle have been reduced from 11,000,000 to 5,000,000; if we estimate the value of these cattle at £2 per head it will be seen that we have sustained a loss of £12,000,000 in that direction. We have also to consider the losses incurred by those who are engaged in the dairying industry, and in agriculture generally. Many of the wheat-growers in the State which I represent have cropped their land for seven years in succession, and have taken off very little more than enough grain for seed. I cannot understand how, in the face of all these facts, honorable members, and others, can say that socialistic legislation is at the bottom of all our troubles. Even if our legislation had proceeded along the lines which honorable members opposite most strongly advocate, we should have been no better off than we are at present. It is contemptible that such utterly unwarranted statements should be made in order to prejudice the minds of the public against a measure which is conceived in the interests not only of unionists, but of employers and the general public. Nothing can be more unsatisfactory to an employer than to know that his hands may knock off work and entirely

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dislocate his business at any time. The honorable member for Grampians referred to the great losses incurred by pastoralists during the shearers' strike, and similar disastrous results have followed other industrial disputes. Honorable members should be only too glad to perfect a measure which is designed to prevent the recurrence of the dreadful scenes we have witnessed during labour disturbances, such as those which resulted from the maritime strike, the shearers' strike, and the Broken Hill strike. I trust that honorable members will do their best to render the Bill acceptable to the trade unionists of Australia, who have been commended for doing that which no other workmen in the world have shown themselves prepared to do, namely, handing over the whole of the questions affecting their means of livelihood to the arbitrament of the proposed Court. I feel very strongly with regard to this matter, and I make an earnest appeal to honorable members to divest themselves of all party feeling and to direct their best energies to placing upon the Statute-book a measure that will do justice to all parties concerned.

Mr. SKENE (Grampians).—I am quite sure that the honorable member for Grey never heard me say that all the losses to which he has referred were brought about by socialistic legislation.

Mr. POYNTON.—No; but others have said it.

Mr. SKENE.—No doubt many idle statements have been made. There is a very general feeling throughout the country that in view of the heavy losses and the hardships that have been incurred, we should avoid doing anything that would tend to destroy public confidence, or to prevent the free investment of capital. If we do anything that will injuriously affect the credit of the country, our recovery will be retarded. It was stated last night that the farmers and pastoralists were not so much exercised in their minds as some people represented with regard to the probable effects of legislation of this kind. I should like to read a telegram which has been addressed to myself and to the Chairman, and which shows that it is feared that the proposed legislation will operate against the common good. The telegram reads as follows:—

Avoca, 1st December, 1904.

Messrs. Skene and Salmon,
House of Representatives, Melbourne.

Am authorized by chairman of meetings held Avoca, Lexton, Amphitheatre, Mount Lonarch, Rathscar, Natte Yallock, Redbank, Moonambel, of local branches Farmers, Producers, Property-Owners Association, embracing all classes country workpeople, storekeepers, &c., to petition House of Representatives, through you, not to agree to include in Arbitration and Conciliation Bill farmers, farm labourers, and domestic work people; letter confirming, please announce House immediately.

A. EBLING.

Mr. PAGE.—What does that show? We are not legislating for Avoca, but for the whole Commonwealth.

Mr. SKENE.—I think that I am doing my duty in putting forward the views entertained by my constituents. The honorable member is not slow to make known the opinions of the electors in his district.

Mr. PAGE.—I represent a territory as large as New South Wales.

Mr. SKENE.—My district is only a small one; but good things are often packed in small parcels, and I think that so far as value is concerned, my electorate would hold its own in the balance with that of the honorable member. I felt it to be my duty to place the views of my constituents before honorable members.

Mr. POYNTON.—The honorable member had better send a reply stating that a provision similar to that objected to has worked no injury in New South Wales.

Mr. KENNEDY.—It has never been brought into operation.

Mr. SKENE.—I quite agree with the honorable member for Grey that socialistic legislation has had nothing to do with the hardships and losses which have been inflicted upon the community during the last few years. At the same time, I know that alarm is being felt—perhaps more than is justified by the actual facts, because extreme conditions must exist before the Bill could be brought into operation—and that it is feared that legislation of this kind will prevent that free exercise of enterprise which we all desire to encourage in this country.

Mr. JOHNSON (Lang).—The arguments put forward by honorable members in supporting the attitude adopted by the Senate, have very largely traversed the ground covered during the former debate upon the Bill. No additional reasons have been adduced to justify honorable members in reversing their votes. I desire to call attention to the condition of affairs which has been brought about in San Francisco by the conflict between unionists and non-unionists, and which bears directly upon the question of preference to unionists.

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The following is a clipping from one or the Sydney daily newspapers:—

> In view of the condition of things in Sydney, the action just taken in San Francisco to meet the oppressive and unfair demands of labour unionists is of great importance. Driven into combination by the attitude of the unionists "the Citizens' Alliance of San Francisco" has been formed.

The objects of the alliance are then set out. I do not propose to read them, but I wish to quote a brief summary of what is meant by the "Open Shop." The alliance contends that all citizens should be treated in the same way—that there should be no discrimination between unionists and non-unionists.

Mr. WATSON.—Unionists will never give up their right to strike, unless they are granted a preference.

Mr. JOHNSON.—I think that remark is an unfair and unjust reflection upon their sense of justice. I am entirely in sympathy with all the legitimate aims of labour. I have had opportunities of talking with a large number of unionists upon this particular clause of the Bill, and they have assured me that they do not want it. They are satisfied that so long as no unreasonable restrictions are placed in the way of men gaining admission to the unions, the best men will join the unions, and by reason of their superiority as workmen, and their superior skill over their fellows, will naturally get the preference from employers. I object to the preference provision, because it is undemocratic. It is absolutely opposed to all the legislative ideals of the Labour Party. The honorable member for Darling laid great stress upon the fact that he did not wish to countenance class legislation. But I would point out that this proposal constitutes not only legislation for a class, but legislation for a section of a class. Although I credit honorable members opposite with a desire to do what is best in the interests of labour, I do not believe that a majority of unionists would insist upon a provision of this kind being inserted in the Bill.

Mr. WATKINS.—The honorable member knows that they will not have the Bill without it.

Mr. JOHNSON.—I think that the honorable member is wrong in making that statement.

Mr. WATSON.—All the unions which have passed resolutions upon the subject, are strongly against the view which is entertained by the honorable member.

Mr. JOHNSON.—Even if a majority of unionists are in favour of it, that fact will not make their demand a just one.

Mr. WATKINS.—I say that every unionist is in favour of it.

Mr. JOHNSON. — The honorable member is mistaken. I can assure him of that, from my own personal knowledge.

Mr. BAMFORD.—Honorable members opposite are continually affirming that unionists are entirely opposed to arbitration.

Mr. JOHNSON.—I do not make that statement. I think that any fair Bill which will bring about better relations between employers and employés is worthy of support. I have said more than once that provisions of this character cannot be productive of any permanent good. They do not strike at the root of things. I am compelled to oppose those portions of this Bill which differentiate between one class of citizen and another class, and to re-affirm the principle of equal opportunities for all, and special privileges for none, no matter to what class they belong. This is the fundamental basic principle of true democracy, and is now sought to be set aside by the Labour Party. Reverting to the question of the "Open Shop," I should like to read a short summary which shows what it really means—

> First: It means that the right of non-union and union men to employment is equal, else the equality of right and of opportunity is destroyed.

That is the point which I have been emphasizing. In all legislation of this character, equality of opportunity—which should be preserved—is absolutely lost sight of, and a minority are deprived of the right to accept work, save upon certain terms. That is a denial of the very fundamental principle of democratic legislation.

Mr. WATKINS.—That is not the position, and the honorable member knows it.

Mr. JOHNSON.—In spite of all that has been said by honorable members opposite, I fail to see that that position has been successfully assailed. The report continues—

> Second: It means that union men have no right to coerce employers to discharge non-union men by boycotting or other measures taken to injure the business of the employer. The principle involved is necessary to the preservation of the civil liberty guaranteed by the Constitution and laws.

That applies to our own position equally with that of any part of the United States. Whatever regulations may be made by employers, the Legislature should not differ-

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entiate between one class or workmen and another. The summary proceeds—

Grant the power of union men to prevent non-union men from labouring, and the most offensive tyranny that ever existed will be established. It is now an every day occurrence that men who wish to work are refused admission into unions, and are denied the right to work because they are not union men.

Mr. HUGHES.—What newspaper says that?

Mr. JOHNSON.—I am quoting an excerpt by the *Sydney Daily Telegraph* from the San Francisco files. It continues—

If a labour union is permitted to do this, members of one religious creed may demand the discharge of workmen of another creed, and deny them the right to work at all.

The CHAIRMAN.—Order! Does the honorable member think there is any connexion between his remarks and the amendments proposed by the Senate?

Mr. JOHNSON.—I think that the extract which I have read bears directly upon them. It also confirms the statements which I made when addressing myself to the Bill itself.

Mr. PAGE.—We have heard all this before. Let us come to a vote.

Mr. HUGHES.—I rise to a point of order. The honorable member is quoting the summary of an article which refers to what labour unions are doing in the United States. As there is no law relating to compulsory arbitration in existence there, the extract which he is reading cannot have the slightest bearing upon what unions would do under the operation of a Compulsory Conciliation and Arbitration Bill here. If the scope of the debate is to extend to the United States, we shall not finish this discussion by Christmas.

The CHAIRMAN.—I have already drawn the honorable member's attention to the fact that I do not see any connexion between the extract which he is reading and any of the amendments made by the Senate in this Bill. I shall be glad if he will show me in what way they are connected.

Mr. JOHNSON.—I am dealing particularly with clause 40, in which it is proposed to omit certain words.

Mr. FOWLER.—I wish to ask whether the honorable member is in order in quoting conditions which may or may not exist in the United States, but are clearly not included within the scope of the measure under consideration. No proposal has been made the adoption of which would enable trade unions to restrict the numbers of their members.

The CHAIRMAN.—That is quite correct. I understand, however, that the honorable member for Lang desires to give reasons why the preference clause should not be amended in the form desired by the Senate. I shall be glad if the honorable member will strictly confine himself to that aspect of the question.

Mr. JOHNSON.—If there be any objection to such arguments, exception should have been taken to those aspects of this question when they were referred to by honorable members opposite. As long as it suited their purpose to refer to them, no objection was taken.

Mr. FOWLER.—We have not argued that the unions should be restricted in number.

Mr. JOHNSON.—I shall not conclude the quotation, since there seems to be a doubt as to whether or not it is in order. I do not desire to strain the Standing Orders, nor to strain the patience of honorable members. I am suffering from a severe cold, and am therefore speaking under great difficulties. I can only say that many of the arguments which have been urged in support of the acceptance of the amendments made by another place seem to me to be only a recapitulation of the speeches which were made when these questions were previously under our consideration.

Mr. KENNEDY (Moira).—I do not propose to enter upon a general discussion of the several amendments made by another place, but I wish to say a few words with respect to the amendment, bringing agricultural and horticultural labourers within the provisions of the Bill. I am more than ever convinced that we have started on wrong lines. When the Bill was first introduced, I said that if we desired to pass an effective measure, we should restrict it to half-a-dozen or more industries of a purely Inter-State character. Instead of doing so, we have sought to apply the provisions of the Bill to the whole industrial life of Australia. The attempt to extend it to agricultural labourers demonstrates the absurdity of the position. We have been told by the honorable member for Bland, the honorable member for Grey, and others, that the Conciliation and Arbitration Acts of New Zealand and New South Wales apply to this class of labourers. But it is strange that, notwithstanding that the New

Zealand Act has been in operation for something like eight years, no attempt has been made to obtain an award of the Court in respect of them.

Mr. POYNTON.—It is equally strange that there has been no attempt to repeal the provision in question.

Mr. KENNEDY.—It would be time enough to take such a step when an effort was made to bring this class of labourers under the control of the Court. The same remark applies to the Conciliation and Arbitration Act of New South Wales. It would be absolutely impossible to apply such a provision as this except at the instance of some agitator, and one reason why the farmers object to the proposal is that they fear the interference of such men.

Mr. POYNTON.—Every reformer has been called an agitator.

Mr. KENNEDY.—There are agitators and agitators. I wish to impress upon honorable members the impossibility of applying such a measure as this to agricultural labourers. It is strange, but true, that the farming community entertain the opinion that they can manage their farms more effectively on their own lines than they could by acting upon the theories of the Labour Party. I am inclined to agree with them. It is singular that those who are prepared to theorize in this Parliament about the possibility of securing uniformity in the matter of the conditions of farm labourers, are not prepared to go on the land themselves. They could not be drawn on to a farm by a traction engine, yet they are prepared to indulge in beautiful theories as to the right course for farmers to pursue.

Mr. PAGE.—I am a grazier and farmer.

Mr. KENNEDY.—There are many persons who farm the farmers instead of the farms.

Mr. PAGE.—Like some of those whose tactics have been disclosed by the Butter Commission.

Mr. KENNEDY.—That is another matter. I venture to say that it would be impossible to secure uniformity in the conditions of labour on half-a-dozen farms, not to speak of the farming districts of the whole Commonwealth. Would it be possible to apply the same conditions to milkmen in the northern and southern districts of Victoria? Certainly not.

Mr. RONALD.—Why?

Mr. KENNEDY. — In the district in which I reside dairying is carried on to a considerable extent, and those engaged in the industry employ a number of milkmen. The ability of these men to milk is only a secondary consideration; but in the southern districts of Victoria it is of the very first importance. The same remark will apply to the position of harvesters in different districts. The honorable member for Bland has told us of a strike which occurred last year in his own district, but I have yet to learn of a case in which agricultural labourers as a body have had occasion to strike because of the conditions under which they were called upon to work.

Mr. RONALD.—They have never existed as a body.

Mr. KENNEDY.—I have yet to learn of any other industry in which so many men have risen from the ranks of labour, and become employers. No other industry in the Commonwealth can show so many who have risen in this way. Why is that?

Mr. RONALD.—Because it is so easy.

Mr. KENNEDY.—If that be the case, why should the honorable member bewail the conditions under which farm labourers are called upon to work? It would be well for him, and other honorable members of the Opposition, to know something of the general condition of employés in agricultural pursuits before they speak in this way. We have been told that in some parts of Victoria agricultural labourers are working for 7s. 6d. a week. I am sorry for their unfortunate employers.

Mr. WATKINS.—The honorable member is not sorry for the workmen?

Mr. KENNEDY.—I am not sorry for the farm hand who is prepared to work for 7s. 6d. a week, because I think he ought to devote his attention to something else. Any one worthy of being called an agricultural labourer can obtain a much higher wage.

Mr. TUDOR.—How much more?

Mr. KENNEDY.—I cannot say generally, but in the Goulburn and Murray Valley districts, with which I am familiar, a man worth keeping on a farm all the year round receives £1 per week and his board, exclusive of the harvest season.

Mr. PAGE.—That is little enough.

Mr. KENNEDY.—I have nothing to say on that point. These farm hands, who receive £1 per week, have their wages raised to 30s. or 35s. per week during the harvesting season, which lasts from six to ten weeks. What mechanic in the city can save as much in a year as one of these men can do? These are points to which I invite

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the special consideration of the Committee. I would impress upon honorable members that it would be impossible to secure uniformity and equality in the conditions under which farm labourers are employed, so as to enable the Court to obtain information for its guidance in determining the rates of wages and hours of labour to be fixed. It would be necessary in the first instance to show that these labourers suffered some injustice. In every manufacturing industry, it is an easy matter to ascertain the cost of production. A man who attempts to manufacture a piece of cloth in Australia can readily ascertain the cost; but no farmer can foretell the cost of raising a thousand bags of wheat. His experience counts for nothing. He has to incur the cost of buying or leasing the land, and of putting in his crop; but it is impossible for him to say, until the last, what is the cost of production. He does not know until the harvest season approaches whether he will obtain a single bushel of wheat from the area which he has put into cultivation.

Mr. POYNTON.—What extra cost has the inclusion of farm labourers in the State Act entailed upon the farmers of New South Wales?

Mr. KENNEDY.—The Act has never been applied so far as farm labourers are concerned.

Mr. POYNTON.—It has been in operation for several years.

Mr. KENNEDY.—The honorable member for Grey would have men go to bed by Act of Parliament, and rise again in accordance with the same rigid rule. Has any request been made by the agricultural labourers, or the farming community generally, for inclusion in this Bill? Decidedly not. The honorable member for Bland told the Committee last night that the measure would protect the farmers from the danger of a strike in the harvest field. They would, however, never make application to the Court until they wanted the men, and then it would be too late.

Mr. WATSON.—They could make application months before.

Mr. KENNEDY.—Of course they could, and then they might have no work for the men to do.

Mr. WATSON.—The honorable member did not follow my remarks on the subject.

Mr. KENNEDY.—I followed them as closely as it was possible to do. If the farmers were brought under the Bill, and a farmer had made application to a union for what he considered to be a sufficient number of hands to take off his crop, would he, in the event of the weather conditions rendering it necessary to employ immediately a larger number of hands, and non-union labour offering, refuse to accept that labour? I think that he would rather disregard the law than waste the time necessary to apply to the union secretary for more union labour, and thus lose his crop, even though that secretary might be in the next town. When farmers realize the possibility of occurrences like that, they feel resentment against the Bill as a whole, although its provisions in other directions may be just. It is true that the community earnestly desires the prevention of industrial disputes; but there is no justification for doing what is uncalled for in order to secure what is right and proper. This Parliament will have enough to do for a generation to come if it confines itself to necessary legislation, without reaching out towards the impossible. Knowing what has happened in New Zealand and New South Wales, and having a practical knowledge of farming, I say that there is no justification for applying the Bill to agricultural labourers, and that they have no desire to come under it.

Mr. POYNTON.—Have the farmers of New South Wales received any injury through being brought under the State Arbitration Act?

Mr. KENNEDY.—I am not going to advise the farmers in my district to take any risk. I shall oppose the amendment, for the reason which I have given.

Mr. McCOLL (Echuca).—I desire to indorse what has been said by the honorable members for Grampians and Moira against the inclusion of rural workers in the Bill. There is no question of which I have had experience during my parliamentary life which has caused such a ferment among the farmers of this State—and I speak only for the State which I know—as the proposal to bring them under this Bill. I have received numerous communications on the subject from farmers, and day after day meetings of farmers protesting against the proposal are reported in the press. This attempt to improve the position of rural workers will act to their disadvantage. Rightly or wrongly, the farmer believes that if this provision is inserted in the Bill, it will be put into force, and consequently he will not take the risk of cropping his land.

Mr. WATSON.—The farmers of New South Wales take that risk every year.

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Mr. McCOLL.—It seems to me an absurdity to put the provision into the Bill if it is not to be called into operation. Why should we cause all this unrest and ferment in the farming community by inserting this provision, if it is not to be used? If the amendment is agreed to, the farmers, instead of cropping their land will lock up their machinery, and put their holdings under grass.

Mr. WATSON.—Ha, ha!

Mr. McCOLL.—Whenever one speaks of the farmers, he gets a laugh or a sneer from honorable members of the Labour Party, from the leader of the Opposition down to the smallest member of the rank and file.

Mr. WATSON.—That is not true. I have given every assistance to the farmers.

The CHAIRMAN.—The leader of the Opposition must withdraw the words, "That is not true."

Mr. WATSON.—I withdraw them, if you insist, Mr. Chairman; but the honorable member for Echuca knows that what he has said is incorrect.

The CHAIRMAN.—The leader of the Opposition must also withdraw his remark that the honorable member for Echuca has made a statement which he knows to be incorrect.

Mr. WATSON.—That statement may have been a jocular observation. I submit that you should wait, Mr. Chairman, until the honorable member for Echuca takes exception to my remark.

Mr. McCOLL.—I did not hear it.

The CHAIRMAN.—It is my duty to keep order, and I rule that the remark that an honorable member has made a statement which he knows to be incorrect is disorderly.

Mr. WATSON.—I have heard even yourself, sir, make jocular observations which no one would take seriously, and no doubt the honorable member for Echuca was speaking jocularly when he made those remarks about myself. If he made them seriously, although I withdraw my observation, I shall repeat it at another time.

Mr. McCOLL.—I will let the matter pass.

Mr. BATCHELOR.—The honorable member ought to be ashamed of himself.

Mr. McCOLL.—I am not ashamed of myself.

Mr. POYNTON.—The honorable member for Echuca said that whenever the name of a farmer was mentioned there was a sneer and a laugh from the leader of the Opposition and honorable members on this side. I ask that he be required to withdraw that statement.

Mr. WATSON.—It is extremely offensive, if he meant it.

The CHAIRMAN. — The honorable member for Echuca having made a remark concerning the leader of the Opposition and the members of his party which is considered offensive, I ask him to withdraw it.

Mr. McCOLL.—I have much pleasure in withdrawing it. It was called forth by the action of the leader of the Opposition at the time.

Mr. WILSON.—The honorable member for Grey interjected just now that the statement of the honorable member for Echuca was contemptible. I think that the word "contemptible" is not parliamentary, and I ask that he be called upon to withdraw it.

The CHAIRMAN.—I am called upon to deal only with expressions which I myself hear. I did not hear that expression.

Mr. McCOLL. — This amendment is being strongly resisted by the farmers, and if agreed to will injure those whom it is intended to benefit, because land will go out of cultivation, or, where farmers continue to cultivate, they will use machinery, and dispense as far as possible with manual labour. Still, as the amendment will not be agreed to, any further remarks on my part are unnecessary.

Mr. WATSON (Bland).—It is true that, while the honorable member for Echuca was putting forward what he considered to be arguments against the acceptance of the amendment, I smiled audibly, but that was because the honorable member asked the Committee to believe that the farmers are concerned at the prospect of their industry being injured by a provision which he says will never be put into effect. He told us that if they are brought within the scope of the Bill they will cease to crop their land, and he also said that the experience of New South Wales proves that this provision is never likely to be put into operation. Which of those statements does he wish the Committee to take seriously? With regard to his observation that whenever the word farmer is mentioned honorable members on this side receive it with sneers——

The CHAIRMAN. — The honorable member for Echuca has withdrawn that statement.

Mr. WATSON.—Nevertheless, I wish to say in reply to it that, although I have been less time in Parliament than he has, I place my record against his in this matter. There has never been an occasion, either in this House or in the Parliament of New South Wales, in which I have not supported every effort to assist the farmers, and I resent the insinuation that I desire to harass them. I am not, however, in favour of enacting class legislation by leaving the farmers outside a Bill which is to apply to all other classes.

Question—That the amendment be disagreed to—put. The Committee divided.

Ayes	... ...	35
Noes	... ...	26
Majority	... ...	9

AYES.

Bonython, Sir J. L.	Knox, W.
Cameron, D. N.	Lee, H. W.
Charter, J. M.	Liddell, F.
Chapman, A.	Lonsdale, E.
Conroy, A. H. B.	McCay, J. W.
Cook, J.	McColl, J. H.
Crouch, R. A.	McLean, A.
Edwards, G. B.	McWilliams, W. J.
Edwards, R.	Phillips, P.
Ewing, T. T.	Reid, G. H.
Forrest, Sir J.	Skene, T.
Fuller, G. W.	Smith, S.
Fysh, Sir P. O.	Thomson, D.
Gibb, J.	Willis, H.
Isaacs, I. A.	Wilson, J. G.
Johnson, W. E.	*Tellers:*
Kelly, W. H.	Groom, L. E.
Kennedy, T.	Robinson, A.

NOES.

Bamford, F. W.	Page, J.
Batchelor, E. L.	Poynton, A.
Brown, T.	Ronald, J. B.
Carpenter, W. H.	Spence, W. G.
Cook, J. N. H. H.	Storrer, D.
Deakin, A.	Thomson, D. A.
Fisher, A.	Watkins, D.
Fowler, J. MacK.	Watson, J. C.
Frazer, C. E.	Webster, W.
Higgins, H. B.	Wilkinson, J.
Hughes, W. M.	
Hutchison, J.	*Tellers:*
Mauger, S.	McDonald, C.
O'Malley, K.	Tudor, F. G.

PAIRS.

Turner, Sir G.	Kingston, C. C.
Smith, B.	Culpin, M.
Glynn, P. McM.	Thomas, J.
Quick, Sir J.	Maloney, W. R. N.
Harper, R.	Mahon, H.
Lyne, Sir W. J.	Wilks, W. H.

Question so resolved in the affirmative.

Motion agreed to.

Senate's Amendment.—Leave out "excepting only persons engaged in domestic service, and persons engaged in agricultural, viticultural, horticultural, or dairying pursuits," lines 23 to 25.

Motion (by Mr. REID) proposed—

That the amendment be disagreed to.

Mr. MALONEY (Melbourne).—I indicated on a former occasion that I advocated the inclusion of domestic servants within the scope of the Bill, in order that no distinction might be made between citizen and citizen. Since the Federal Parliament in its wisdom has conferred the franchise upon domestic servants, male and female, I maintain that they are entitled to the full rights of citizenship, and that they should not be treated as a class apart. The Prime Minister made a statement to the effect that there were no unions of agricultural labourers in Queensland, New Zealand, New South Wales, or Victoria. So far as Victoria is concerned, the right honorable gentleman's statement was correct, but I am in a position to show that he entirely misstated the facts in regard to New Zealand. A large number of agricultural labourers are registered in that colony as members of unions. I shall first quote from the *Tocsin*, which of all the journals published in Victoria, has fought longest in the labour cause. That journal contains the following statement:—

> During the debate on the Arbitration Bill on Tuesday night, Mr. Reid, with all confidence, declared that "not a single union was in existence in connexion with the rural industries" in New Zealand. This is incorrect. Not only is the Otago Agricultural Labourers' Union registered, but in October last the union obtained an award of the Arbitration Court against the Threshing-Mill Owners of Bruce. A summary of the judgment appears elsewhere in this issue.

The summary is as follows:—

> The award of the New Zealand Arbitration Court in the dispute between the Otago Agricultural Labourers' Union and the Threshing-Mill Owners, contains the following provisions:—The hours of labour shall be left to the discretion of the mill-owner; but he shall not, except in cases of emergency, require employees to work by lamplight or artificial light. That the wages be 9½d. per hour and found, or 1s. per hour, men finding themselves. A band-cutter or feeder shall receive 1s. per hour. There shall be no distinction between members of the union and non-members, and both shall work together in harmony and under the same conditions, and shall receive equal pay for equal work.

That affords clear proof that the statement made by the Prime Minister, and also by the honorable member for Bland was incorrect. As the majority of honorable

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members opposite may not care to accept the *Tocsin* as an authority, I shall quote from the *Otago Liberal*, of 29th October last, page 6, in which the following statement is made:—

The Arbitration Court has forwarded its award in the matter of the dispute between the Otago Agricultural and General Labourers' Union of Workers (Milton), and the Threshing-Mill Owners of Bruce county. We make the following extracts:—Hours of Labour—The hours of labour shall be left to the discretion of the mill-owner; but he shall not, except in cases of emergency, require employees to work by lamplight or artificial light. That the wages be 9½d. per hour, men finding themselves. A band-cutter or feeder shall receive 1s. per hour. General—Wages men, who are required to be on duty to assist in shifting the mill from stack to stack, or from camp to camp, shall be paid at the above hourly rate for the time during which they shall be required to be on duty for such purpose. Subject to the conditions of this award, the employer shall retain the right to conduct his business and manage his property in such manner as he thinks best, and shall make such rules, not inconsistent with this award, as may be reasonable to that end. No employer shall, in the engagement or dismissal of his hands, discriminate against members of the union, nor in the conduct of his business do anything for the purpose of injuring the union, whether directly or indirectly.

Now I come to a statement which may be held to be rather unfavorable to the view that preference should be given to unionists, but I intend to quote it, in order to safeguard myself against a charge of unfairness. The award of the Court provided—

There shall be no distinction between members of the union and non-members, and both shall work together in harmony, and under the same conditions, and shall receive equal pay for equal work. The award comes into force on the 1st prox. for two years.

It was unwise for us to use the word "preference." It would have been much better to have employed the word "protection" to unionists, and to have provided that no employer should be permitted to dismiss a man simply because he belongs to a union. In order that there may be no doubt as to the correctness of the information I have given, I propose to quote from a New Zealand publication, which contains a list of the industrial associations and unions registered under the New Zealand Industrial Conciliation and Arbitration Act, on 30th September, 1904. At page 12 of that publication, I find that the Canterbury Agricultural and Pastoral Labourers' Union is registered under the number 463, the address given being the Trades Council Hall, Christchurch. Upon page 13, the Waimate Workers' Union is registered under the number 327, and the address is given as the Foresters' Hall, Waimate. Honorable members may think that the latter is not an agricultural labourers' union, but I have the authority of Mr. Tom Mann, who was present at Waimate on the date of the registration, for saying that a large number of the members of the union are agricultural labourers. Any one who knows New Zealand must be aware that Waimate is a purely country district, and that agricultural operations are largely carried on there. Upon page 14, I find that the Otago Agricultural and General Labourers' Union is registered under the number 424. Altogether there are four unions of agricultural labourers, and I think that this fact should convince honorable members that agricultural workers should be brought under the operation of the Bill. The population of New Zealand is not crowded into the cities, as is the case in the various States of the Commonwealth; and we must recognise that these unions in many cases contain agricultural workers. One of my earliest memories—I am referring to thirty years ago—is that when I was a boy upon the Moorflat station, I was astonished to see one of the employés there retiring to his hut at four o'clock in the afternoon. I inquired of him if he had ceased work for the day, adding that in Victoria men were required to work much later. I shall never forget his reply, which was, "My boy, when you grow up to manhood, you will think that eight hours work per day is quite enough for any man. I retire to my hut at four o'clock to read and to enjoy a well-earned rest." That disposes of the argument that no union of agricultural workers exists in Australia. I now come to the proposal of the Senate to include domestic servants within the scope of this Bill. I claim that the measure should be made applicable to them. I may add that my view upon this matter would be the same if the ladies of East Melbourne were being subjected to a similar injustice. The other evening I spoke of the cowardly term which is used in England to describe domestic servants. There they are designated "slaveys." I say that that term should ring throughout the length and breadth of the United Kingdom as an insult to the intelligence of the community. But in the old country, we must remember that men and women do not enjoy the broad franchise which is bestowed upon all Australian citizens. So

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far as considerations of citizenship and of humanity are concerned, the mother country occupies a position much inferior to that of Australia. If the people could exercise the wide franchise in vogue in the Commonwealth, they would sweep into oblivion the fetishes which exist there. How many domestic servants are there in our midst? Quoting from that statist of all statists, whose name rings loudest wherever the English language is spoken—I refer to *Mulhall*—I find that in 1841, the agricultural labourers of England were the most numerous class of workers, numbering as they did 3,400,000. Next upon the list stood the operatives who were engaged in manufactures. These totalled 3,137,000. The domestic servants constituted the third most numerous class, their numbers being 1,555,000. In 1881, the number of agricultural labourers had declined to 2,561,000; but that of the operatives in manufactures had increased to 4,535,000, and of domestic servants to 2,448,000. It will thus be seen that they still maintained their position upon the list. In 1891 the agricultural workers had further declined to 2,500,000. Those engaged in manufacture had increased to 9,000,000, and the number of domestic servants had undergone a slight decrease, totalling only 2,341,000. In other words, they were still third upon the list. Comparing these returns with the statistics published in the *Australian Handbook*, I find that whereas in New South Wales, those engaged in professions or in attending upon professional callings number 41,000, the domestic servants total 72,000, the commercial classes 121,000, and the industrial workers 146,000. Honorable members will recollect that more women than men are employed in the factories and clothing establishments of Victoria. In this State those connected with professions number 35,000, the domestic servants 66,000, the commercial classes 109,000, and the industrial workers 145,000. From these figures it will be seen that the domestic servants stand third upon the list of workers in Great Britain, and fourth upon the list in these States. In the primary industries I find that there are 173,000 engaged in New South Wales, and 161,000 in Victoria. If the agricultural workers are to be denied the benefits which would be derived under this Bill, how can any honorable member go before his constituents and justify his attitude in differentiating between one class and another? Is it not almost akin to that harsh word "hypocrisy" for this Parliament, after having conferred upon all adults the right to vote for the return of representatives to frame their laws, to declare that this Bill shall not apply either to the third most numerous calling in Australia, or to those employed in the fourth? My own opinion of second chambers has recently undergone a considerable change. I give my meed of praise to the Senate for its action in connexion with this Bill. It is the most democratic and glorious second chamber speaking the English language to-day. I care little whether the Bill be carried or rejected, but I care much for the stigma of injustice which will attach to us if we carry it without these amendments. I care also for the myriads of people outside who wil suffer injustice at our hands. I claim that the vast majority of Australians would—if the opportunity were afforded them—do justice to their fellow men and women. I venture to prophecy that if the Bill be returned to the Senate, and if as the result of that Chamber's insistence upon its amendments, a double dissolution ensues, the country will support the members of the Opposition. It is not my intention to delay the Committee any longer. I have made my protest as vigorously as possible, and with all respect to those whose opinions differ from my own. But I would warn those honorable members who are simply voting against these amendments because they desire to keep a certain party off the Treasury benches, that when the people understand the wrong that is being perpetrated—when they realize the stigma which is being placed on human beings fashioned like ourselves—they may have cause to regret their action. I say, a plague on both your parties, when it is simply a question of the "ins" and the "outs." That is the sole consideration ruling the Legislature to-day. The seventy-five members constituting this House, in other circumstances, would gladly do good work for the country; but when it is a question of the "ins" and the "outs"—when we have one side strenuously fighting for a Bill which will do the greatest good to the greatest number, while others are opposed to it lock, stock, and barrel—the position is different. I believe that but for party considerations, there is not one honorable member opposite who would vote for the whole Bill. It may not be in accordance with the

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rules of this Parliament, but I am satisfied that if we could bring the two Houses of the Parliament together to decide without debate whether we should have the Bill as amended by the Senate, or as we sent it up to another place, we should arrive at a decision which would certainly be in the best interests of the Commonwealth.

Mr. DAVID THOMSON (Capricornia).—When this question was under our consideration on a previous occasion, I opposed the extension of the Bill to domestic servants. I have since given the matter careful consideration, and have found no reason to alter my opinion with regard to the constitutional difficulty. I believe that, in view of the provisions of the Constitution on which the Bill is based, we cannot apply this principle to domestic servants. Even if it could be so applied, I believe that it would prove inoperatime. At the same time, I have no desire to disagree with the decision arrived at by the Senate, as I think they are likely to insist upon the amendment which they have made. I do not believe that any sane man would say that his home constituted an "industry," and as I hold that domestic servants cannot be said to be engaged in an "industry," within the meaning of the Constitution, I feel that we cannot extend the provisions of this Bill to them. For the reason that I have stated, however, I shall support the amendment made by another place.

Mr. BROWN (Canobolas).—I do not propose to discuss this question at length, for the probabilities are that we shall have a repetition of the vote which has just been given. I desire, however, to protest against the exclusion of so important a section of the community as are the agricultural labourers and domestic servants. I presume that the Government are in earnest in their desire to pass this measure. It is a Bill which, according to its title, is designed to prevent strikes and locks-out, and to secure the settlement of industrial disputes by means of a Conciliation and Arbitration Court. Through the agency of the Court, employers and employés will be brought together, and any industrial dispute arising between them will be peacefully settled. In this way it is hoped to prevent the recurrence of the disastrous strikes which we have experienced in Australia, with all the inconvenience, loss and misery which they entail. With this high ideal before us, we are asked to exclude a large section of the community. The honorable member for Melbourne has quoted very telling figures from *Mulhall* and *Coghlan*, with reference to the number of agricultural labourers and domestic servants in England and Australia, and I think that the facts that he has placed before us are worthy of serious consideration. The Government invite the Committee to exclude those engaged in all branches of farming, as well as in domestic service, from the operation of this measure. We are now legislating for the whole Commonwealth, and I should like to know why these industries should be excluded, while others which are closely allied to them are not. It has not been clearly shown why the Bill should not be made applicable to those engaged in every calling. I can quite understand the attitude taken up by the representatives of Victoria, in view of the fact that all attempts to extend the factory legislation of the State to those engaged in farming have been strenuously resisted. But in New South Wales the position is wholly different. A State Conciliation and Arbitration Act is in operation there, and is applicable to those engaged in agricultural pursuits, as well as in shearing, and many other industries. It is quite possible, therefore, that the farmers of that State may be brought under an award of the State Court. That is a point which is worthy of attention. The products of the farmers of New South Wales have to compete with those of this State; and if they are brought under the operation of the State conciliation and arbitration law, the producers there may be placed at a disadvantage. Why should we not extend this Bill, which is expected to do so much in the direction of bringing about better industrial conditions, to all persons engaged in farming pursuits throughout the Commonwealth? It has been contended that it is unlikely that disputes will arise among those engaged in the agricultural industry, or in domestic service. If we make provision for them in this Bill, and no disputes occur, the Act will remain inoperative, so far as they are concerned; but if, on the other hand, any trouble arises, we shall be prepared to cope with it. We should not legislate for a class; our legislation, as far as possible, should be applicable to the whole of the people of the Commonwealth. We are charged with the important duty of legislating for all Australia, and why should those who are seeking a livelihood as farm

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hands or domestic servants be excluded from participating in the benefits of a measure of this kind? For these reasons I shall support the amendment. I trust that better counsels will prevail, and that honorable members opposite will withdraw their opposition to the amendment.

Mr. REID.—This matter has already been fully discussed.

Mr. BROWN.—I have not previously given my reasons for supporting the amendments made by the Senate. I am a farmer, and as a representative of a farming constituency, wish to explain why I consider that agricultural labourers should not be exempted from the Bill. In my constituency, many farmers are engaged in the dual industry of wool raising and wheat production, upon a very large scale. Within the last few years large areas of land in my electorate, which were previously used solely for grazing purposes, have been put under the plough and devoted to wheat production. We have the same employers engaged in both branches of the industry, and they have to find a market for their produce, not in the Commonwealth, but beyond it. They have to cater for the needs of the old world. In some parts of New South Wales we have men working as shearers and as farm labourers, during different portions of the year, for the same employers. If the amendment is not agreed to we shall tell these people that, as growers of wool and meat they may come under the provisions of the measure, but as agriculturists they cannot enjoy its benefits, because the agricultural industry is outside its scope. Though, as pastoralists, they may settle their disputes with their employés by conciliation and arbitration, if, as agriculturists, they have disputes with their employés, they must revert to the old barbarous methods of strikes and locks-out. But if the measure can give efficient protection to those engaged in one branch of rural production—and that is claimed by the Government—it is, in my opinion, capable of giving equally efficient protection to the branch which they propose to exclude. On the other hand, if it is incapable of serving the agricultural interest, it is equally incapable of serving the grazing interest. In my State, both agricultural and pastoral interests come under the State Arbitration Act. That measure provides for the control of agricultural disputes equally with grazing disputes; but if the Federal legislation, which deals. not with disputes confined to any one State, but with disputes extending beyond the limits of any one State, is so lop-sided as to apply only to grazing disputes, an injury may be done to the agriculturists of New South Wales through the spreading of a dispute to that State from another State, for which there will be no remedy. If this is to be a good and beneficial piece of legislation, it should apply to every industry, and to every person engaged in that industry, male or female. Every such person should have a right to regard it as a means for obtaining redress for industrial grievances. Therefore, I protest against the proposal of the Government to apply it only to certain industries, and to thus make it a piece of class legislation.

Question—That the amendment be disagreed to—put. The Committee divided.

Ayes	...	...	...	37
Noes	...	...	...	25
				—
Majority...		...	...	12

AYES.

Bonython, Sir J. L.	Lee, H. W.
Cameron, D. N.	Liddell, F.
Chanter, J. M.	Lonsdale, E.
Chapman, A.	McCay, J. W.
Cook, J.	McColl, J. H.
Deakin, A.	McLean, A.
Edwards, G. B.	McWilliams, W. J.
Edwards, R.	Phillips, P.
Ewing, T. T.	Reid, G. H.
Forrest, Sir J.	Robinson, A.
Fysh, Sir P. O.	Skene, T.
Gibb, J.	Smith, S.
Groom, L. E.	Thomson, D.
Harper, R.	Webster, W.
Isaacs, I. A.	Willis, H.
Johnson, W. E.	Wilson, J. G.
Kelly, W. H.	*Tellers:*
Kennedy, T.	Conroy, A. H. B.
Knox, W.	Fuller, G. W.

NOES.

Bamford, F. W.	McDonald, C.
Batchelor, E. L.	O'Malley, K.
Brown, T.	Page, J.
Carpenter, W. H.	Poynton, A.
Cook, J. N. H. H.	Ronald, J. B.
Crouch, R. A.	Spence, W. G.
Fisher, A.	Storrer, D.
Fowler, J. M.	Thomson, D. A.
Frazer, C. E.	Watson, J. C.
Hughes, W. M.	Wilkinson, J
Hutchison, J.	*Tellers:*
Maloney, W. R. N.	Tudor, F. G.
Mauger, S.	Watkins, D.

PAIRS.

Turner, Sir G.	Kingston, C. C.
Smith, B.	Culpin, M.
Glynn, P. McM.	Thomas, J.
Quick, Sir J.	Higgins, H. B.
Wilks, W. H.	Mahon, H.

Question so resolved in the affirmative.

Motion agreed to.

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Clause 40—

The Court, by its award, or by order made on the application of any party to the proceedings before it, at any time in the period during which the award is binding, may—

. . . .

(b) direct that as between members of organizations of employers or employees and other persons offering or desiring service or employment at the same time, preference shall be given to such members, other things being equal;

. . . .

And provided further that no such preference shall be directed to be given unless the application for such preference is, in the opinion of the Court, approved by a majority of those affected by the award who have interests in common with the applicants.

. . . .

Senate's Amendment.—Leave out "and provided further that no such preference shall be directed to be given unless the application for such preference is, in the opinion of the Court, approved by a majority of those affected by the award who have interests in common with the applicants."

Motion (by Mr. Reid) proposed—

That the amendment be disagreed to.

Mr. WATSON (Bland).—I move as an amendment—

That the following words be added:—"but that the word 'unless,' line 12, be left out, with a view to insert in lieu thereof the word 'if,' and the word 'approved,' line 14, be left out, with a view to insert in lieu thereof the word 'opposed.'"

If the amendment were carried the amendment of the Senate would read—

And provided further that no such preference shall be directed to be given if the application for such preference is, in the opinion of the Court, opposed by a majority of those affected by the award who have interests in common with the applicants.

I wish the Court to be absolutely untrammelled in the exercise of the power to grant preference. In my view, the experience gained in New Zealand and New South Wales is quite sufficient to justify us in the belief that the practice there established, of always insisting that the unionists shall reasonably represent those engaged in a trade or calling before preference is granted, would be followed by any Court constituted as the result of this measure. One has, however, to accept the fact that the Committee upon a former occasion insisted that a majority should be shown to exist in favour of preference before it could be granted, and I am willing, as one, to so far give in to the voice of the majority. In a spirit of anxiety to have the measure passed in something like an effective form, I am quite willing to accept the provision with regard to the majority, so long as the onus is placed upon those who oppose preference, of showing that the majority are on their side. Honorable members opposite argued that it was an easy matter to prove that a majority existed one way or the other.

Mr. Lonsdale.—That was not argued.

Mr. WATSON.—With all respect to the honorable member, that was argued *ad nauseam* on the last occasion. I then put forward the contention that it was a matter almost of impossiblity, at least in some callings, to discover the opinion of a majority of those who might be affected by the award.

Mr. Henry Willis.—Then, why does the honorable member oppose the amendment—why not oppose the proviso straight out?

Mr. WATSON.—I had the impression that I was addressing reasonable-minded men; but, of course, if the honorable member does not come within that category it is not worth his while to listen to me. Honorable members opposite contended that the question of majority could easily be settled.

Mr. Henry Willis.—But the honorable member contended that it could not.

Mr. WATSON.—And I say so still, but I am proposing to put honorable members opposite to the test of their own convictions. They said that it would be comparatively easy to discover upon which side the majority lay, that the Court would be guided by common sense, and would not insist upon a mathematically accurate demonstration of the numbers of those affected by the award. If that be so, what objection can they have to shaping the clause in the way I propose? If they believe in their own medicine, why should they not be willing to take a dose of it? If, on the other hand, they now discover that there will be some difficulty in the working of the clause, I say that they give away their whole case as against the proposition which we put forward previously.

Mr. Henry Willis.—The honorable member is proposing something in which he does not believe—that is hypocrisy.

Mr. WATSON.—I am proposing something which, in the opinion of the honorable member, as expressed by his vote, is easy of accomplishment. My position is perfectly clear. I do not wish to hamper the Court in giving preference. I am content to trust the Court. If my contention be correct, that it is difficult to prove upon which side the majority lies, we shall,

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under the amendment, be in no worse position; whereas if the contention of honorable members opposite be correct, that the matter is easy of proof, then they will be no worse off.

Mr. McCAY.—Does the honorable member mean that if his contention is correct the adoption of his amendment will be equivalent to our agreeing to the Senate's proposal?

Mr. WATSON.—I am giving the Minister an opportunity to prove that there is nothing ulterior behind his own proposition, and that all that is aimed at is to insure that the majority rests on one side or the other. If the amendment be carried, what will be the position? Those who ask for preference will still have to convince the Court that it is right for them to grant preference. They will have to submit all their considerations to the Court, to show how many members are in their union, and how far, within reason— as the practice now prevails in New South Wales—they represent the body of men employed in the trade or calling. All that process will have to be entered upon and carried through before the stage is reached of discovering whether there is a majority opposed to preference or not. The Court has to be satisfied that preference is a justifiable demand.

Sir JOHN FORREST.—They will have to make out a case against themselves every time.

Mr. WATSON. — The right honorable gentleman misunderstands me. The applicants for preference will have to make out a case and convince the Court that they are entitled to preference upon the merits of the case, before the amended provision will come into operation. They will first have to convince the Court that preference is justifiable. Presuming that they do so convince the Court, then, under the amendment, the opposing counsel could say, "Very well, your Honour, the Court is convinced that preference should be granted, but we have now to put forward the fact that the majority of those affected by the award are against preference being granted."

Sir JOHN FORREST.—The opponents of preference will have to prove their case.

Mr. WATSON.—If the Court be satisfied that all other requirements are complied with, and that on the equities of the case preference is justified, then the question will arise as to how the men engaged in the trade or calling feel with regard to the matter of preference At that stage the onus will be upon those who oppose preference to prove that they represent a majority.

Mr. KELLY.—There may be no one opposing it.

Mr. WATSON.—Then, silence will give consent—judgment will go by default.

Mr. KELLY.—In other words, the defendants will be required to prove that they are not guilty.

Mr. REID.—Even though they may not be parties to the dispute.

Mr. WATSON.—If they are not interested, why should they be parties? If they are interested, it is their business to become parties.

Mr. REID.—Every individual workman must go to the Court with his lawyer.

Mr. WATSON.—Now that the clause is turned against himself, the right honorable gentleman is discovering objections which were not apparent to him a little while ago, when it was operating in another direction.

Mr. REID.—The unions are not individuals, but organizations.

Mr. WATSON.—But if the unions want preference, they will be compelled, if the clause be carried in its present shape, to canvass every individual outside of the union who may be affected by the award, in order to discover upon which side the majority lies. The right honorable gentleman knows perfectly well that that is what is insisted upon in the clause.

Mr. LONSDALE.—That is not correct.

Mr. WATSON.—How can the honorable member advance such a proposition?

The CHAIRMAN.—I would point out that we are in Committee, and every honorable member will have an opportunity to express his views. This is a very important amendment, and I think that it is due to the leader of the Opposition that he should be permitted to state his case without interruption.

Mr. WATSON.—I do not complain of reasonable interjections, but at the same time I appreciate your anxiety, sir, to maintain order. I do not object to interjections which discover views which may be met as I proceed with my argument. With regard to the contention that it will not be necessary to ascertain definitely the views of individuals outside of the unions, in order to prove that the majority of those affected by the award are in favour of preference, I would ask how that information is to be gained, except by consulting the majority of those who are likely to be affected by the award. I do not wish at this

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stage to enter upon the argument which was engaged in at some length a few months ago on the question of who are likely to be affected by the awards, although I hold a very strong view that that question will be pushed to a far greater extreme than a number of honorable members are inclined to admit.

Mr. Johnson.—The honorable member's proposal is absolutely opposed to the accepted canons of British law.

Mr. WATSON.—The honorable member for Lang is taking up exactly the same attitude as that assumed by the honorable member for Wentworth. No doubt that is due to the fact that neither of those honorable members were members of the last Parliament. If they had been here they would have known that we transgressed that beauteous principle of British law on several occasions, and yet the heavens have not fallen, and there still seems to be some respect for the powers that be. In both the Customs and Excise Acts we provided distinctly that, except in regard to indictable offences, the onus of proof should lie upon the defendant.

Mr. Kelly.—But was not the defendant in all cases a party to the dispute?

Mr. WATSON.—And are they not in all cases under this Bill parties to the dispute?

Mr. Kelly.—Decidedly not.

Mr. WATSON.—Of course they are. We can see now that some honorable members are beginning to discover that there is some ground for objection to this particular clause, that, even according to their own admission, it has a two-edged effect. In view of the fact I have stated, that in two other statutes this Parliament has provided that the onus of proof shall be upon the defendant, except, of course, in cases involving serious offences which are indictable, it does seem to me that the objection urged by honorable members carries no weight when put forward in regard to this particular case.

Mr. Poynton. — All the temperance people advocate the adoption of the same principle in connexion with the licensing laws.

Mr. WATSON.—Yes, and it has also been adopted in connexion with gaming and other laws, under which the defendant is required to show that he was in a certain place for a good purpose, the police being relieved of the responsibility of showing that he was there for an improper purpose. Presuming that a union is asking for preference, my proposal does not relieve it of the necessity of making out a good case before the Court. The only proposition I put forward is that if the Court is satisfied that preference is justifiable, the applicant union will still have to run the gauntlet of the majority of those engaged in the industry—if that majority takes sufficient interest in the matter to disclose itself. All the arguments advanced by honorable members as to the workable character of this clause in its original shape apply with as much force to the proposed amended form. I trust the Committee will see its way clear to adopt my amendment, and thus afford some possibility of making this preference provision a workable one.

Mr. REID (East Sydney—Minister of External Affairs).—The leader of the Opposition has stated very concisely the grounds upon which he submits this amendment. We had heard in various indirect ways that some serious effort was being made to devise an amendment which would be of such a reasonable character that it might lead to a happy settlement of the wide difference which exists in this Chamber upon this very important matter. I may say at once that had the honorable member been able to suggest any such reasonable amendment we should have been glad to fall in with it.

Mr. Watson.—Did not the right honorable gentleman tell the newspaper reporters that he could not consent to any amendment?

Mr. REID. — Certainly not. I stated that I could not consent to any amendment which infringed the principle contained in the clause. Nobody could possibly object to an amendment which would make the meaning of the provision clearer, so long as its substance was preserved. I have never yet met a man who objected to having his object expressed in clearer language. There would have been no objection to an amendment of that character. I am sure that my honorable friend has done his best to propose an amendment which might have had some chance of being accepted.

Mr. Watson.—I do not know that this proposal will not be accepted.

Mr. REID.—As the result of his labours, the honorable member has submitted an amendment upon this clause which, it seems to me, is repugnant not only to the ordinary rules which prevail in connexion with legislation and the onus of proof, but to the spirit of any proposal limiting preference at all. We all know—honorable members opposite have made no secret of

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the matter—that when a Labour Government was in office they accepted a number of amendments with which they were not in accord. We have always recognised that they accepted them, not because they liked them, but because they occupied a Ministerial position, which entailed responsibility, and which to some extent fettered the fearless independence which they enjoy when they are in an irresponsible position. They accepted certain amendments of an important character which were not agreeable to them as matters of principle. I do not blame the honorable member for Bland for his action——

Mr. WATSON.—It would be pretty hard if the right honorable gentleman started to blame anybody in that connexion.

Mr. REID.—I do not blame the leader of the Opposition or his supporters for attempting to get back to the naked principle of preference, in which they sincerely believe. They believe that a preference should be extended to unionists, absolutely unshackled by any sort of regard to the rights of workers who are not members of trade unions. That is a simple statement of fact. As so much effort has been expended in an effort to make it appear that the principle of compulsory arbitration is inseparably associated with preference to unionists, I should like to read the words of the author of the New South Wales Arbitration Act, from which a great deal in this Bill has been copied. He is a man of great distinction, and is acknowledged to be perhaps the leading authority in Australia upon a measure of this character. As is well known, the New South Wales Arbitration Act was passed under the auspices of the Attorney-General of the day, Mr. B. R. Wise, a gentleman who is not altogether unknown to honorable members. We all recognise that any statement which he makes upon questions of fact or intention can be implicitly accepted throughout Australia, and therefore I ask honorable members to implicitly accept the statements which he made in the Legislative Council on the 31st October, 1900, when moving the second reading of this Bill. I quote his words, because they bear upon the particular matter referred to by my honorable friends.

Mr. PAGE.—Does the Prime Minister always accept his statements?

Mr. REID.—I never accept them.

Mr. PAGE. — Yet the right honorable gentleman wishes us to accept them.

Mr. REID.—There are some mortals into whose utterances the element of irony occasionally enters. But I hope that honorable members opposite will accept the statements made by Mr. Wise, which are reported in the New South Wales *Hansard*, page 4547. He said—

> However, the Bill provides that before any combination of workmen can be registered as an industrial union, they must previously form themselves into a trade union.

That is what is stated in this Bill.

Mr. HUGHES.—It is not the case, but that does not matter.

Mr. REID.—It is a fact that, under this Bill, no body of men can form themselves into an organization apart from a trade union. I suggested as a solution of the whole of the troubles we have experienced in connexion with this clause, that the trade unions should form organizations solely for the purposes of this Bill. My honorable friends, however, declared that they could not accept that solution, and I hope that they will allow me to continue the quotation, because it is in the nature of an assurance to a House of Parliament which was asked to pass a similar Bill. Mr. Wise continued—

> It has been thought that this provision necessitates that every workman in the Colony shall become a trade unionist. I desire in the most emphatic terms of which I am capable to repudiate that suggestion. It is neither the purpose of the Act, nor is there, I believe, a single clause in it which can be fairly considered or reasonably imagined to have the result of compelling any person who is not a member of a union to join one.

Mr. WATSON.—Preference was contained in that Bill unabridged.

Mr. REID.—If preference is to be given in any Bill, how can any one urge that a man who is not a member of a trade union is not compelled to join one? I admit that in the sense of tyranny, he is not compelled to do so. He is at liberty to stand back and to see members of certain trade unions pass before him, and obtain any employment that may be offering. I say that if we make a distinction between unionists and non-unionists who are engaged in the same trade —if we provide that a man shall obtain a preference if he joins a union, but that he shall be shut out from employment if he does not—we apply to him the most cruel compulsion in the world. It is true that we do not touch him in his views of abstract questions. We do not affect his religious or political convictions; but we touch him upon the point which is vital to every indi-

vidual who has to support those who are near and dear to him by the labour of his hands. Mr. Wise continues—

There is no provision whatever which will make it more difficult for the free labourer—as he is sometimes called—

He regarded that term as an offensive one, and consequently added this long parenthesis—

the non-unionist, as I prefer to call him, for I believe it is only by joining a union and coming under the influence of unionism that a man is really free—

That is a fair matter of opinion. I do not find fault with Mr. Wise for entertaining that view, but I know how I should exercise my opinion if I occupied a similar position. He continued—

—but it is a disputable point which I do not wish to touch—there is nothing in this Bill which either expressly or by implication will make it more difficult for the non-unionist to earn a living.

That is the statement of the honorable and learned Attorney-General of New South Wales upon these very preference provisions. Can it be urged that the amendment submitted by the leader of the Opposition will not make it more difficult for a non-unionist to earn his living?

Mr. Watson.—Does the right honorable gentleman say that it will?

Mr. REID.—Difficulties will always arise if one body of men is privileged in its opportunities of employment. One of the grandest principles of advanced democracy is equality of opportunity. There is no equality of opportunity, however, if the Legislature surrounds men with preferences in their struggles for a subsistence.

Mr. Frazer.—Then the Prime Minister should oppose preference, even if a majority of those engaged in the industry affected approve of the granting of it.

Mr. REID.—I am coming to that point. In the interests of the beneficent objects of this legislation, honorable members upon this side of the House have made concessions. I consider that I have made a very serious concession, and so have other honorable members. We have conceded the principle of preference, with the qualification, not that a majority of trade unionists shall claim it, because we leave all non-unionists free to express their wish that a preference shall be extended to unions to which they do not belong; but the test which we apply is that a majority of those engaged in any industry which would be affected by an award of the Court must first approve of the granting of that preference. Mr. Wise continues—

I can assure honorable members that if their ingenuity should be able to detect anything which can even remotely have that effect, I shall be prepared to have it eliminated from the Bill.

That is the sort of talk which was indulged in when the New South Wales Arbitration Bill was passed into law. I venture to say that not one of my honorable friends opposite would make use of similar language.

Mr. Watson.—I am not discussing that.

Mr. REID.—I should think that the honorable member was not. He is far too straightforward to make such a statement. Why is this question of preference made such a life and death issue? Is it because it means nothing? Is it because it will have no industrial operation or effect—that it will not help one man as against another? Is it because it will not help the member of a trade union as against the man who, in the exercise of his rights as a democrat, independently refuses to join a union?

Mr. Hutchison.—We had better go on as we are.

Mr. REID.—My honorable friend will excuse me for talking in a way which is not common at a pleasant Sunday afternoon meeting. I hope he will allow me to express my own views in the frankest and most straightforward fashion. That is a right which is still left to honorable members. My honorable friends opposite, rightly or wrongly, believe that preference is a great advantage for the trade unionists whom they represent.

Mr. Watson.—We admit that without it they would be at a disadvantage.

Mr. REID.—That is very much the same thing.

Mr. Watson.—Not quite.

Mr. REID.—I should like to put a question to my honorable friends of the Opposition. Supposing that an employer desiring to engage twenty men had a right to differentiate in the ranks of trade unionists, would he not be vigorously criticized if he happened to differentiate between a man who had been very active in his factory——

Mr. Watson.—He does that now.

Mr. REID.—That is one of the matters of which my honorable friends complain But what is the hardship as compared with that suffered by a man who, on applying for employment, is told, "Before I can give you an opportunity to work at your trade, I must ask whether you have got a certificate from a certain body"?

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Mr. WATSON.—That is done now. Trade unions in many instances have secured that concession without the intervention of the Court.

Mr. REID.—If trade unions have secured it without the operation of law——

Mr. WATSON.—But if this Bill becomes law they will not be allowed to strike.

Mr. REID.—The honorable member is now dealing with another matter.

Mr. WATSON.—It is the same point.

Mr. REID.—The honorable member says that trade unions have secured this concession without the intervention of a Court of law.

Mr. HUGHES.—Some of them have.

Mr. REID.—I do not object to any preference which men may secure by legitimate agitation—by the assertion of their rights as individuals, or as members of trade unions. But the point at which I stop is that a Court of Justice created by this new Australian Parliament should be called upon to decree this preference under the operation of law. I object to the contention that they are to place on trade union certificates the stamp of the Commonwealth of Australia, and by means of fines and penalties to deprive workmen of employment. That is the line at which I stop.

Mr. HUME COOK.—Then why do not the Government do away altogether with the provision as to preference?

Mr. REID.—Because I have conceded that point, with a safeguard. The honorable member wishes to remove the safeguard.

Mr. HUME COOK.—Not at all.

Mr. REID.—Does the honorable member say that the amendment proposed by the honorable member for Bland does not take it away?

Mr. WATSON.—No, it leaves it as it is.

Mr. REID.—Does it leave it delightfully easy for the outsiders?

Mr. HUME COOK.—It makes it just as easy for them as the right honorable gentleman said it would be for the other side.

Mr. REID.—That is not an answer to my question; the honorable member is now indulging in mere speculation. The fact remains that this principle was accepted in the interests of the magnificent objects of the Bill, which are recognised by the great majority of the people of Australia. The principle of preference was accepted, as many other things have been accepted, subject to the principle of some sort of majority rule.

Mr. WEBSTER.—The right honorable member is correct in saying "some sort" of majority rule.

Mr. REID.—At any rate, there has been no naked assertion of the principle of the right of a trade unionist, by the mere fact of his being a member of a union, to claim preference. Are we to leave the Court in such a position that it will have no indication from the Legislature of the principle upon which this discretion should be exercised? The value of the amendment moved by the honorable and learned member for Corinella when the Bill was before us on a previous occasion is that it gives the Court a clear indication of the rules upon which its discretion should be exercised. We must remember that it will not be a Court in which every statement must be proved according to the dry precision of ordinary Courts of law, whose decisions are liable to be upset. This will be a Court of equity of the freest kind. It will be absolutely free from the technicalities of a Court of law.

Mr. HUGHES.—It will have to deal with facts.

Mr. REID.—I hope that the honorable and learned member will allow me to make myself heard. This Court will not be asked, as an ordinary Court of law is asked, to pronounce opinions on questions of law. It is not asked to be satisfied in the driest legal sense that an application for a preference is supported by a majority of those affected. If, in the opinion of the Court, a majority of those affected in the industry are in favour of the preference, it will know what it may do, and will be able to do it. We are asked by the amendment moved by the honorable member for Bland, to adopt an extraordinary course. It is remarkable that my honorable friend should be prepared to seriously submit such a proposition if he allows the principle of majority rule at all. The amendment has one advantage. If it is a genuine one, honestly submitted, it clearly binds my honorable friends opposite to the acceptance of the principle of majority rule.

Mr. WATSON.—We accept the principle that the Court should be untrammelled. Trust the Court!

Mr. REID.—I know what platform oratory is.

Mr. BATCHELOR.—The right honorable member certainly does.

Mr. REID.—I congratulate my honorable friends opposite upon the marvellous ease

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with which they can speak upon every subject under the sun, unburdened, as many of them are, with any heavy cargo of accurate knowledge.

Mr. WATSON.—We cannot approach the right honorable member in that respect.

Mr. REID.—If this is an honest amendment, intended to deal seriously with a grave difficulty in a measure of national importance, it begins by acknowledging the principle that an application for preference must have the support of a majority of those affected. That has been the decision of this House, and, so far as the amendment recognises the principle which this House has affirmed, we have no objection to it. But, whilst on the platform, one can make these statements, and propose amendments of this kind, we are compelled in a House of Parliament to consider individually whether such an amendment would really carry out the principle which it acknowledges. Look at the burden which is put upon those who have no corporate existence. A trade union is a large, organized, powerful body. These bodies have nearly become the masters of all the political power of the Commonwealth. But there is one place in the Commonwealth where political power and political organization, however strong, ought never to be allowed to rule, and that is a Court of Justice. Throughout the great struggles for liberty and for despotism in our grand old mother country, where the tide of liberalism has been forced on for centuries past, it has always been our boast that whilst the Tories and the Radicals may fight, and properly fight, on the open platform of honest political agitation, there is one temple where these rival political forces must never intrude. It is one of the boasts of the country from which we have obtained our traditions and our institutions that these rival political forces can never interfere with the even, impartial flow of British justice. Whilst in this new land we may perhaps be more adventurous in many respects, and wisely more adventurous than our forefathers in the old land —whilst we do not shrink from a progress which may terrify in the old country— all parties have agreed to leave our Courts of Justice severely alone. No party, great as it may be, has ever been able to influence the decisions of our Courts.

Mr. PAGE.—The right honorable member is a good one to talk in this way.

Mr. REID.—The honorable member must give other persons credit for some sincerity. I know of no men who are more wounded to the quick than are my honorable friends when it is insinuated that they are play-acting. I hope that honorable members will not personally insult me by considering me incapable of sincere conviction.

Mr. POYNTON.—The right honorable member has been insulting us throughout his address.

Mr. REID.—The honorable member has generally been below the level of any shafts that I have discharged; it is by mere accident that I have hit him.

Mr. BATCHELOR.—That is not insulting, of course.

Mr. REID.—I am not speaking in a personal sense. The honorable member for Grey knows that I have no personal feeling against him; but I think that I ought to be allowed to make a statement on behalf of the Government upon this important question. I repeat that the proposal put forward by the Opposition is an extraordinary one. In our every-day experience, whether as Members of Parliament, as candidates, as electors, or as members of various political, social, or business bodies in the community, we all are familiar with the meaning of the expression, "the will of the majority." But of all the daring innovations applied to Courts of Justice, this would be the most daring. There are two bodies of organized forces; there is certainly one, so far as the workers are concerned. Individual workers will not be able to go to the Court, and claim its advantages.

Mr. WEBSTER.—Why should they control the actions of a united body?

Mr. REID.—I do not intend at present to answer that question. I am dealing with another point. I admit that in a dispute before the Court an employer may be a single individual; but, so far as the workers are concerned, only an organized body can appear before the Court as a party to a dispute between employers and employés.

Mr. HUGHES.—Individuals can be cited to appear.

Mr. REID.—Does the honorable member think that I do not know that? I am not speaking about that matter.

Mr. HUGHES.—The right honorable member ought to be dealing with it.

Mr. REID.—As one who has been recently admitted to the Bar of New South Wales, the honorable and learned member must have been trained in the meaning of

terms, and he should recollect that I used the expression "party to a dispute." I am sure the honorable and learned member knows what I am referring to when I use those words.

Mr. HUGHES.—The right honorable member must use the words in this Bill, and not those employed in ordinary law-court business.

Mr. REID.—I come back to this question. Let us take a dispute before the Arbitration Court, between a large employer, or a corporation of employers, and a large body of trade unionists. The body of trade unionists apply to the Court for a preference in their branch of industry over all the other workers in Australia. There is no one there to represent those other workers, who have no organization, and no means to express their opinions, and are scattered over the length and breadth of Australia.

Mr. WATSON.—The employers' organizations act for them pretty effectively.

Mr. REID.—I ask the country, through you, Mr. Chairman, to mark the observation of the leader of the Opposition as to the other workers of Australia who are not in trade unions. The tender mercies of their employers are good enough for them. It is to their employers that the non-unionists must look for protection and justice. These very men who picture employers as the incarnation of selfishness, ready to trample the workers to the dust, are willing to leave the non-unionist workers to their mercy.

Mr. WATSON.—Who said that?

Mr. REID.—I have heard infinitely worse remarks than that, describing the employers as vampires—capitalistic vampires, who suck the blood of labour.

Mr. WATSON.—That is a good invention.

Mr. REID.—That is the wretched jargon of our friends opposite when vindicating the rights of the trade unionists. They say, "We want this Court, we want this Judge, to protect the trade unionists from the rapacity and sweating of the employers of Australia."

Mr. WATSON.—Of some employers.

Mr. REID.—But when the interests of the non-unionists in matters affecting their daily bread and employment are concerned, all that it is thought necessary is that they shall go cap in hand to their employers to ask them to intercede for them with the Judge sitting in the Commonwealth Arbitration Court. I invite the attention of the people of Australia to the sort of friends who are considered good enough for the non-unionists of the Continent, whilst this Court is to be established to save labour from the rapacity and greed of the employers of the Commonwealth.

Mr. WATSON.—I have never used those words.

Mr. REID.—No. My honorable friend is a thousand miles behind the men who support him.

Mr. WATSON.—No one, so far as I know, has said that all employers are rapacious and greedy.

Mr. REID.—My honorable friend is one of those well-balanced, moderate politicians under whom almost any advanced man could serve. I have no quarrel with him. I do not regard him as a source of danger. But the views of those behind him are not of such a rational and moderate character. I wish, however, to get back to the question, what have the disorganized, friendless workers of Australia, who are scattered all over the Continent, to do in order to express an opinion? They have to go to the employers; they have to ask the employers to be good enough to help them. I ask honorable members who have the slightest glimmer of fairness in this matter, what would be the opinion of a Judge if employers took workers under their protection, and came to the Court in their case and on their behalf? What scepticism the Court would feel in regard to employers who tried to act as the friends and legal representatives of the non-unionists of Australia!

Mr. WATSON.—The right honorable member knows of an instance in New South Wales in which the employers did so—the Machine Shearers' Union.

Mr. REID.—I have never justified that state of things.

Mr. WATSON.—That is an instance in which employers took up non-unionists.

Mr. REID.—They took up a bogus union in that case.

Mr. WEBSTER.—That is the class whom the right honorable gentleman is taking up.

Mr. REID.—On the contrary, I appeared for the Shearers' Union.

Mr. WEBSTER.—The right honorable member is appearing for the other crowd now.

Mr. REID.—Any man, whether unionist or non-unionist, would have a contempt for a union organized by the other side, under the guise of friends of the workers of Australia. Surely we should all have a con-

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tempt for anything of the sort. I have already expressed my opinion, without any disguise, in regard to the union referred to by the honorable member for Bland, but I do not call the non-unionist workers of Australia bogus. I do not call them blacklegs and parasites. I consider them to be men who are entitled to the protection of the laws of the land, and to some show of justice.

Mr. WATSON.—So do we.

Mr. REID.—The attempt is now being made to put the onus of proof upon disorganized workers, who are scattered throughout Australia, instead of on the organized trade unionists. Why should the onus of proof be thrown on men who ask only for equal opportunities to earn their living? What has the country come to? Have we sunk so low that when we get to the very bed-rock necessity of a human being, to live in decency, the onus of proof that he is entitled to do so is thrown on him, and he is required to prove what is, in form, an affirmative, though practically a negative? The effect of the proposal of the honorable member for Bland would be that the moment an application for preference was made by a union, the duty would be cast upon the Judge—though my friends would like him to take no concern on that point—to consider whether there was a majority. In form, there is an admission of the principle which we desire to enforce, but by a cruel twist of the clause the burden of proof is taken from the shoulders of the strong and put on the shoulders of the defenceless. It is taken from the shoulders of the litigating party in the Court and put on the shoulders of the artisans who are unrepresented, and are scattered over the Continent.

Mr. WEBSTER.—The unions have always had to fight for the other crowd.

Mr. REID.—That is another point. I could understand honorable members saying, in this Chamber, and before the country, "We object to this principle of majority rule, and we say it has no right to be in this Bill."

Mr. WATSON.—We say, let the Court decide.

Mr. REID.—Does my honorable friend admit that regard should be paid to the majority?

Mr. WATSON. — I say that the Court ought to decide.

Mr. REID.—Does the honorable member admit what his amendment admits?

Mr. WATSON.—I would not trammel the Court at all, but I am prepared to fix the right honorable gentleman on his own ground.

Mr. JOSEPH COOK.—The honorable member for Bland has already said that he does not want preference for minorities.

Mr. WATSON.—I am prepared to leave it to the Court.

Mr. REID.—The honorable member will not get the party behind him to admit that if the members of a trade union happen to be in a minority they should not have preference. Do my honorable friends say that? They have suddenly become so timid that they point to the bell-wether, and desire him to speak for them. Honorable members who, upon other occasions, fearlessly express their own democratic convictions, when I now put a question to them, point to my amiable and moderate friend the leader of the Opposition. Coming back again to the amendment itself, which admits that the Court must have regard to the question of majority, I say that the proposal that some persons residing in scattered localities, thousands of miles apart, are to come into Court and prove that they represent a majority, is one of the most extraordinary ways of testing such a question of which we could conceive. That is my view. Now let us test this provision by applying it to the case of the trade unions which this Bill was specially designed to meet. I think that we can in this way show whether our amendment is unreasonable or not. You cannot test a novel experience of this kind where everything is in the dark by precise examples. All you can do is to regard the existing industrial facts throughout Australia in order to judge what kind of dispute will in all probability be submitted to this high tribunal. As the honorable member for Hume has pointed out on more than one occasion—with an accuracy which I do not always perceive in that honorable member—only members of the large unions will be affected by this Bill, which is designed to deal with disputes extending beyond any one State—the seamen who work all round the coast of Australia, the marine engineers, who are employed in the same way, and the shearers, whose work requires them to move from one State to another. It is a notorious fact that the Shearers' Union, the Seamen's Union, and the Marine Engineers' Institution, and I think that I might add the Wharf Labourers' Union, the members of which work all round Australia—every one of these great organizations, whose affairs are likely to

be submitted for the decision of this Court represent an overwhelming majority of those engaged in the respective callings followed by their members. What difficulty would the officers of the Seamen's Union have if they came before the Arbitration Court in proving that they represented a majority of the persons engaged in navigating round our coasts? We know that they have an overwhelming majority.

Mr. WATSON.—But they must show that there is a majority in favour of preference.

Mr. REID.—If the majority of the men are in the union, there would be no difficulty on that score.

Mr. WATSON.—Some of the members of the union might not be in favour of preference.

Mr. REID.—Surely my honorable friend knows that one of the advantages of organization lies in the fact that the officers of a union can speak for every man in it.

Mr. WATSON.—Not in this case. They have to show that a majority of those affected are in favour of preference.

Mr. REID.—We are developing unexpected recesses of human innocence. If the recognised officials of a great union appeared in the Arbitration Court, what difficulty would they have in proving that they represented the majority of those engaged in the industry or calling?

Mr. HUME COOK.—The words are the majority of "the persons affected."

Mr. WATSON.—Yes, the majority of those who have interests in common.

Mr. REID.—I do not wish to be diverted from the precise point with which I was dealing.

Mr. HUME COOK.—The right honorable gentleman used the word "engaged," whilst the term employed in the amendment is "the persons affected."

Mr. REID.—I am perfectly well aware of that, but I am not dealing with that point at all. I am dealing with the objection raised by the leader of the Opposition. Does the honorable member for Bland seriously contend that, if the officials of the Seamen's Union appeared before the Court, and asked for preference, the Court would ask them to take a poll of the members of their union in order to ascertain if they wanted preference? That is a wonderful difficulty which exists only in the imaginations of honorable members opposite. What is the advantage of organization? That the officials of a union can appear before the Court as representatives of every man in it, and that, when they make application in the name of the union, the onus of proving that their principals repudiate it is thrown upon some one else. I think that these difficulties are quite delightful. I can quite understand the state of mind into which honorable members have been thrown over this clause. They have some idea that when a great union asks for preference, proof must be afforded that each man joins in the application. The whole idea is simply absurd.

Mr. HUGHES. — That is a very far-fetched construction.

Mr. REID.—I decline to recognise the right of the honorable and learned member to interrupt me. I have a personal objection to his interjections. As I have pointed out, the officials of the Seamen's Union would have no difficulty in proving that their members represented the vast majority of the men engaged in coastal navigation. The Shearers' Union, embracing 20,000 shearers, would have no difficulty in proving to the satisfaction of a Court of equity that it represented a majority of the shearers in Australia.

Mr. WATSON.—There might be a great difficulty in proving that.

Mr. REID.—I do not follow my honorable friend—I cannot understand the difficulty.

Mr. WATSON.—It is difficult to ascertain the number of shearers employed.

Mr. REID.—I should think the union would have some ready means of proving that its 20,000 odd members represented a majority of those engaged in shearing. It would be more easy for the union to do that than for 20,000 units, scattered throughout Australia, to prove that the majority of those engaged in the occupation were opposed to preference. I can understand the position of honorable members opposite. This is not the fight they want. Their fight is against these men altogether. They are endeavouring to obtain preference for a union containing 250 members against 2,000, or even 20,000, other men. Honorable members may laugh, but they cannot deny my statement.

Mr. WATSON.—We can, and we do deny it.

Mr. REID.—Then my honorable friend is in favour of majority rule.

Mr. WATSON.—I say that the right honorable gentleman cannot prove his statement.

Mr. REID.—The honorable member is very clever, but he cannot get from one thimble to the other in that short space.

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Mr. WATSON.—I am not so accustomed as is the right honorable member to thimble-rigging.

Mr. REID.—That is why the honorable member cannot do it. He ought to leave it to professors of the art. I am willing to take my honorable friends either way they like. Either they are in favour of this majority principle, or they are not. As I have pointed out, the amendment says they are. They are in favour of the majority principle, but they throw upon the disorganized units the onus of proving practically a negative against a powerful union which is organized. If the disorganized units can satisfy the Court upon this point, the organized bodies can do it much more easily. I rest my whole case upon that fact. This Bill contains the principle——

Mr. WEBSTER.—What principle?

Mr. REID.—The principle that a majority shall approve of the granting of a preference before that preference is extended to unionists, and the amendment constitutes a detail as to how that fact shall be brought within the cognizance of the Court.

Mr. CROUCH.—Why not accept it?

Mr. REID.—Will the honorable and learned member ask me if it is vital first? Then I shall know what he means.

Mr. FRAZER.—The Prime Minister will make nothing vital.

Mr. REID.—At any rate, I have so much vitality that when I was able to spend a month in Melbourne my honorable friends had to shift their quarters. I may inform them that my vitality is still unimpaired. I wish the honorable and learned member for Corio to recollect that he need not trouble me with questions, because after a ferocious denunciation of this very principle—a denunciation of that for which my honorable friends opposite are asking——

Mr. CROUCH.—Not at all.

Mr. REID.—Well, I will say after a mild denunciation.

Mr. CROUCH.—It was not a denunciation except under certain conditions, which I afterwards obtained.

Mr. REID.—Was that when the honorable and learned member asked the present leader of the Opposition if he regarded a certain amendment as a vital one.

Mr. CROUCH.—I would never dream of asking the Prime Minister that, because he will not accept anything as vital.

Mr. REID.—My honorable and learned friend will never ask me anything which will commend itself to my respect.

Mr. CROUCH.—Because the right honorable gentleman has no self-respect.

Mr. REID.—The honorable and learned member is one from whom I do not court interjections. I limit my intercourse with him as strictly as possible. I do not court any exchanges with him, except those which public duty demands. This amendment recognises that the President of the Arbitration Court must pay regard to the principle of majority rule, but it throws upon the helpless and disorganized the onus of proving something which—if it can be proved at all—can be proved more easily by the consolidated labour bodies of Australia.

Mr. WEBSTER.—Will the Prime Minister tell us how?

Mr. REID.—I would suggest to the honorable member for Gwydir that the time has not yet arrived in this country when a man is not entitled to obtain the benefit of work unless he is a member of a union.

Mr. WEBSTER.—That is not the question.

Mr. REID.—With me, that is a serious question. We have accepted the principle of majority rule, but we will not twist it round so as to impose an almost impossible task upon men who are not organized throughout Australia. I hope that I have expressed very plainly the views of the Government upon this matter. I would infinitely prefer—if my honorable friend cannot suggest some amendment which we can seriously consider—that he should fight the question that no regard should be paid——

Mr. WATSON.—Let us leave the granting of a preference to the discretion of the Court.

Mr. REID.—The honorable member does not propose to leave it to the discretion of the Court in his amendment.

Mr. WATSON.—I am prepared to do so, thus meeting the right honorable gentleman half-way.

Mr. REID.—It would be infinitely better for the persons who are not unionists to leave it to the Court absolutely, than to have this onus of proof put upon them.

Mr. WATSON.—That is a splendid admission.

Mr. REID.—The great trade unions, such as those which represent the shearers, sailors, and marine engineers, which are the only organizations likely to come before the Arbitration Court in connexion with Inter-State disputes, contain a vast majority of the persons engaged in those industries.

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Mr. WEBSTER.—Then why fight about the matter?

Mr. REID.—In establishing a new jurisdiction, which is to be vested with power over the means of livelihood of every person in the Commonwealth, I desire to indicate some broad principle upon which it should exercise such a tremendous discretion.

Mr. ISAACS.—These principles are embodied in the Bill, irrespective of whether or not this amendment be carried.

Mr. REID.—That is a remark which does not advance us very much upon the merits of the amendment.

Mr. WEBSTER.—What does the right honorable gentleman suggest?

Mr. REID.—I am prepared to stand by the Bill in the form in which it left this Chamber, and, in answer to the allegations regarding the difficulty of ascertaining the will of the majority, I am pointing out that, in all disputes which are likely to come before the tribunal which we propose to establish, no difficulty would arise in that connexion, because a vast majority of the persons engaged in those industries are members of trade unions.

Mr. WATKINS.—The right honorable gentleman said the very opposite at first.

Mr. REID.—I never did anything of the sort. I have never stated that the members of the Shearers' Union do not constitute a majority of those who engage in that calling——

Mr. WATKINS.—But the right honorable gentleman quoted the case of the pearl fishers. I can show it to him in *Hansard.*

Mr. REID.—I am not talking of pearl-shellers just now.

Mr. WATKINS.—Because it does not suit the right honorable gentleman to do so.

Mr. REID.—I have not the remotest recollection of ever having made any such statement.

Mr. WATKINS.—I can assure the Prime Minister that it is reported in *Hansard.*

Mr. REID.—That is very satisfactory, and we will leave it there. I would ask the honorable member if he thinks that a pearl-shelling dispute—an industry in which most of the employés engaged are coloured aliens—is likely to come before the Arbitration Court? When I am speaking of great bodies like the Seamen's Union——

Several honorable members interjecting,

The CHAIRMAN.—Order. I would ask honorable members to refrain from interjections, and I would suggest to the Prime Minister that he should not take so much notice of those which are made.

Mr. CROUCH.—Upon a point of order, I wish to ask you, sir, to confine the Prime Minister strictly to the subject under discussion. He has been wandering considerably.

Mr. REID.—Wandering is the one subject upon which the honorable and learned member is an authority. I never object to an interruption or two, but only to a sort of organized union of disturbance. It is not the units to which I take exception, but the battery. The honorable member for Newcastle is endeavouring to lead me into trivial channels, when he takes me from a consideration of great bodies of organized workers to the coloured alien pearl-fishers upon the Australian coast.

Mr. WATKINS.—I was only quoting the right honorable gentleman.

Mr. REID.—Then the honorable member might quote me to better advantage, and at a more seasonable time. I say again that my friends have committed themselves in this matter by the terms of their amendment. It is not that they like it; but from the exigencies of the present situation, they have endeavoured to approach us in such a way that honorable members on this side may change their votes, and accept the Bill as amended, on the ground that it protects the rights of a majority. That is the basis on which we are asked to vote for the amendment. I have pointed out that this proposal is a cruel sham. So far from protecting the rights of the disorganized majority, if that majority is unfavorable to preference, it imposes on them a cruel, unjust, and unprecedented onus and burden which it is impossible that they could discharge. When honorable members retort that that is what the Bill does as it stands, I reply that that is not so. I have quoted all the great organized bodies—the only bodies ever likely to come into the Court — all of whom can, without the slightest difficulty in the world, prove the existence of a vast majority of unionists.

Mr. HUGHES.—Why insert this clause?

Mr. REID.—My reply is because a majority of this House believe that when this preference is to be within the power of a British Court of Justice, and when it affects the daily rights and opportunities of the working citizens of Australia, the Judge should at least have an opinion—

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having the discretion in a Court of equity to arrive at that opinion—that there is a majority, not of trade unionists, but a majority of trade unionists combined with others outside engaged in the industry, who have no objection to preference. That is what this House is anxious about. If that were conceded, there would be no difficulty; if it were a mere transposition of words, what difficulty would there be in accepting the amendment? But, instead of that, the principle is left in, and a condition is imposed which makes it a sham, and I do not think that any honorable member who voted for the principle can consent to that.

Mr. HUGHES.—As my remarks will occupy some time, I suggest that progress be reported.

Progress reported.

House adjourned at 11.5 p.m.

Senate.

Friday, 2 December, 1904.

The PRESIDENT took the chair at 10.30 a.m., and read prayers.

PERSONAL EXPLANATION.

Senator HIGGS (Queensland).—During the debate on the case of Major Carroll, I mentioned the name of an officer who had not seen active service when I should have mentioned the name of another officer. I wish to state that Captain Dowse, whose name I mentioned, has the following record of war services:—

Dowse, R. South African War, 1899-1900. Relief of Kimberley. Operations in Orange Free State, February to May, 1900, including operations at Paardeberg. Actions at Poplar Grove, Dreifontein, 10th March, Vet River, 5th and 6th May. Operations in the Transvaal in May and June, 1900, including actions near Johannesburg, 29th May, and Pretoria, 4th June. Operations in Cape Colony, north of Orange River, 1899-1900. Operations in Cape Colony, 30th November to 13th December, 1900. Adjutant Cavalry and Artillery Depôt, Maitland, November and December, 1900. Queen's Medal with four clasps.

I express my regret that inadvertently I mentioned the officer's name in that connexion.

PREMIERS' CONFERENCE.

Senator DOBSON.—I wish to ask the Attorney-General, without notice, whether the Prime Minister will include in the subjects to be discussed at the Premiers' Conference, to meet in Hobart, the question of the compulsory military training of youths, seeing that the earnest co-operation of the States is required.

Senator Sir JOSIAH SYMON.—I shall mention the matter to the Prime Minister, and inform my honorable and learned friend on some other occasion.

PAPUA (BRITISH NEW GUINEA) BILL.

SECOND READING.

Debate resumed from 30th November (*vide* page 7617), on motion by Senator Sir JOSIAH SYMON—

That the Bill be now read a second time.

Senator STANIFORTH SMITH (Western Australia).—We all listened with very great pleasure, and I think with interest and profit, to the very able and informative speech made by the Attorney-General in introducing the Bill. The honorable and learned senator touched upon many aspects which arise in connexion with the government, control, and administration of British New Guinea, and upon which I should have liked to speak; but I intend if possible to exercise a considerable degree of self-restraint, and confine my remarks principally to some questions of immediate practical importance in connexion with the government, and more particularly the administration of the Possession. My desire is to outline a policy of development, which I think will be advantageous alike to both the native population and the white colonists, and will have the effect ultimately of reducing our financial obligations until the Possession will become self-supporting. The objects of the Bill are threefold. Firstly, to complete the transfer of British New Guinea from Great Britain to the Commonwealth; secondly, to create a constitution for its government; and, thirdly, to enact, by Federal legislation, certain broad guiding principles of policy. It is admittedly a Bill of great importance, and contains some vital provisions which are entitled to very careful and serious consideration. The Attorney-General said that this is the first time that the Parliament of the Commonwealth has been called upon to legislate for people outside the six States. But I think that we could go even further than that. We could say that this is the first time in the history of the British Empire that a self-governing Colony has had handed over to its control a large tropical territory, occupied

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by a numerous and virile people, whom we are called upon to govern as a purely subject race. Whether it was advisable or not for us to undertake that great responsibility does not now concern us. That matter was settled on the 20th February, 1902, when we carried joint resolutions that we were prepared to accept British New Guinea as a Territory of the Commonwealth. The problem we are now concerned with is the system of government we should adopt, and the methods of administration that will be most suitable in the interests of the whole of the population there, and in the interests of the Commonwealth. This is a problem of considerable difficulty, because we have never really faced the question of the government of a tropical country. We have had no experience in that connexion, and our knowledge on these subjects must inevitably be very meagre. When about eighteen months ago, I visited British New Guinea, my object was to endeavour, as far as possible, to obtain, at first-hand, some information and knowledge which would be useful in considering laws for its government and control. It has been stated that I only called at Port Moresby and Samarai. As a matter of fact, I travelled from one end of the Territory to the other, and called in at every white settlement along the coast. I interviewed all the resident magistrates, Government officials, surveyors, and others, and many of the missionaries, with the exception of those on the gold-fields, which I was unable to visit. I went inland at various places.

Senator WALKER.—How far inland?

Senator STANIFORTH SMITH.—I went inland for three days at one place.

Senator WALKER.—What distance?

Senator STANIFORTH SMITH. — I cannot say exactly; but I think I got within twenty-five miles of Mount Yule. I had the advantage, not only of forming my own opinions, but of ascertaining the opinions of all the Government officials who have had large experience on the spot. I also had the advantage of receiving two large deputations at Samarai, one from the miners, and the other from the traders, who placed before me very fully their views as to the alterations in the system of government and administration that they desired. I hope, at a later date, when we are in Committee, to be able to acquaint honorable senators with their views. It is true that I was in the Territory only a month, but I was afforded special facilities for seeing it, because the Queensland Government very generously and courteously placed at my disposal a small yacht, in which I was enabled to visit places without delay. It was a very great compliment that the Queensland Government paid me, and it was also a compliment to the Senate. It was a kindly act by a great State which is not too frequent in our present experience of Federal legislation. I am pleased to see that the system of government outlined corresponds in many respects with the recommendations I made, as the result of my trip, and which were published in pamphlet form. I do not suggest, for a moment, that the Government have adopted all my views, but I am pleased to find that in the majority of instances their views coincide with mine. I urged then that the system of local government should be maintained very much in its present condition, that they should have the largest possible powers of local self-government; because, at this distance, it was impossible for us to understand the local conditions, and laws which might be excellent for Australia would be most prejudicial and injurious if enacted in British New Guinea. But I urged that there should be broad, guiding principles of government laid down by the Federal Parliament. I advocated that there should be no further alienation of land in fee-simple. I also advocated that, in regard to intoxicants, we should have either absolute prohibition, except for medicinal purposes, or, failing that, State control. I am glad to see that both of these principles are included in the Bill. I suggested that a regular subsidized line of steamers should run to the Territory, according to time-table, with fixed fares and freights, and I am glad to see on the Estimates a vote for the purpose. I made many minor recommendations with regard to matters of administration and subjects falling within the ambit of the local government. I did not make these recommendations merely as a result of my visit. I have for the last two years exhaustively studied the various systems of government in operation in tropical countries. I think I can say that I have made myself acquainted with the methods of government adopted in all tropical countries which are under the suzerainty or in the possession of European Powers, or of the United

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States. It is with that knowledge that I made the recommendations to which I have referred. It must not be forgotten that while many systems of government differing from ours have been found admirably adapted for the countries in which they are in operation, they would be impossible in British New Guinea, owing to the fact that the natives of that territory are grouped into numerous disconnected tribes in a comparatively low stage of civilization. In dealing with this Bill we have to consider first of all the objects sought by Great Britain and the Commonwealth in the annexation of British New Guinea. We can then consider the system of government which should be adopted in order to give effect to those objects. It will be admitted by all that we did not annex British New Guinea in order merely to acquire more territory, nor did we annex it for colonization purposes, or to open up trade and commerce.

Senator FRASER.—Why not trade and commerce?

Senator STANIFORTH SMITH.—That might incidentally be an advantage gained by the annexation, but it was not the reason for it. We have ample scope for all our energies in these directions in the Commonwealth of Australia for the next 100 years.

Senator HIGGS.—When did the honorable senator discover that?

Senator STANIFORTH SMITH.—I have always held that view. We really annexed British New Guinea, because its annexation by a foreign power would be a continual menace to Australia. British New Guinea possesses magnificent harbors which would be suitable for the establishment of coaling and naval bases. Successive military and naval experts, such as Sir Peter Scratchley, and Admiral Bosenquet, have pointed out that if these harbors were in the hands of an enemy they would constitute a continual menace to the best interests of Australia.

Senator TURLEY.—That was pointed out after British New Guinea was annexed.

Senator STANIFORTH SMITH.—It was pointed out by Sir Peter Scratchley, who was Administrator before the annexation took place, and while the Territory was merely a Protectorate. The assumption of suzerainty involves very serious obligations. Having annexed British New Guinea for purposes of defence, we were under an obligation to protect the lives and property, and the rights of the natives, and also of the white colonists who established themselves there. This policeing of New Guinea, as I may term it, entails an expenditure of £39,000 a year, of which £19,000 is now provided by local taxation. Having occupied British New Guinea for purposes of defence, the question arose whether we should merely police the Territory—put in a caretaker—or should endeavour to develop its great natural resources, with a view to reducing the financial obligations of the Commonwealth, and gradually making the Territory self-supporting. Whether this can be done or not must depend very greatly upon the system of administration adopted. I do not propose at this stage to discuss the system of government, as that would take up a great deal of time. I shall confine my remarks to the question of administration. Before I do so, however, I must say a word in defence of the past Administration of British New Guinea, because in some quarters it has been somewhat unfairly criticised. We have been told that it has been a system of stagnation. Since the acquisition of British New Guinea sixteen years ago, and bearing in mind the meagre subsidies granted the Possession, from £15,000 to £20,000 a year, it must be admitted that very good work, indeed, has been done. The enormous difficulties with which the pioneers have had to contend should not be forgotten. They have had to contend with the difficulties and dangers of exploration in a country covered with thick scrub, and with cane grass from 8 feet to 10 feet high. It will be admitted that it is an exceptionally difficult matter to carry on exploration work in such a country. Two expeditions that performed valuable exploratory work in British New Guinea were fitted out by the *Age* and *Argus* newspapers in the year 1883. Those expeditions were successful in exploring a considerable portion of the Territory, and for their public spirit and energy the proprietors of the journals referred to were entitled to very great commendation, and were mentioned by Sir William Macgregor in very eulogistic terms. Various stations and centres of government have been established in the Territory, inter-tribal massacres have been stopped, roads and tracks have been cut, and vocabularies of the dialects of various tribes have been prepared. When I mention

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that along the coast of New Guinea there are at least 100 different tribes, speaking almost as many different dialects or languages, it must be admitted that in learning the language and preparing the vocabularies a very important work has been done. In this work the Government have been very largely assisted by the missionaries. Amongst tribes accustomed to a constant state of warfare, it was a very difficult thing to establish stable government. Honorable senators will understand how difficult it must have been to convert these people, many of whom were cannibals and head-hunters, into peaceful, law-abiding citizens. They formed the most unpromising material for the making of law-abiding citizens, and yet that has been accomplished, and from men who but a few years previously were a menace to the white population, an armed native constabulary has been formed, that is now engaged in protecting the lives and property of the white population, as well as the interests of the natives. It would be difficult to find a finer body of men than the native constabulary, who show themselves amenable to discipline, exhibit great anxiety to carry out the wishes of the Government, and have on occasions displayed very great bravery. These Government stations were established along the whole coast of British New Guinea, by men who paid the penalty of their commendable exertions in a debilitated constitution caused by the climate, and by malarial fever. In criticising the work done in British New Guinea, it is my duty, as one who has visited the Territory, to state my knowledge of the splendid work which has been done by the pioneers. It should be mentioned, also, that these men have received wretched pittances for their services; many of the resident magistrates get no more than £200 a year, though they endanger their lives in the performance of their duties. They have not, I believe, engaged in this work solely for its emoluments, but because of a desire to advance the interests of our new Possession. If we compare the state of affairs in British New Guinea with that in Dutch or German New Guinea, the comparison will be found to be infinitely to our credit. The Germans have done very little with the portion of New Guinea which they have annexed. They have employed a few Australian miners in prospecting, and they have about 18,000 acres of cocoanuts, many of the trees being planted before the Germans took possession of the country. When we come to consider the Bismarck Archipelago of which we have heard so much lately, it must be admitted that there are there immense plantations which are very valuable to the German people. But the principal plantation, that of Forsyth and Son, which contains 40,000 acres, was planted, and the trees in full bearing, before the Germans took possession of the Bismarck Archipelago and German New Guinea. They are, therefore, only reaping the fruit of seed sown by other people. The Dutch are making practically no progress in Dutch New Guinea. If we compare the revenue on which the neighbouring territories have had to depend, we shall find that the German Government voted £45,000 a year for German New Guinea, and has also subsidized a mail service to that Possession to the extent of £22,500 a year. I am unable to say what the Dutch have spent on all their settlements in New Guinea; but at Mereuke, which is close to Thursday Island, they spent in 1902 no less than £78,000.

Senator WALKER.—They have soldiers there, have they not?

Senator STANIFORTH SMITH.—They have Achinese soldiers there from Sumatra. In British New Guinea, the only money voted for the administration of the Territory has been from £15,000 to £20.000 a year, in addition to the local revenue. With an expenditure of not more than one-fourth of that of German New Guinea, we have been able to effect infinitely greater progress in stable government than have our neighbours. But I say that we should not be satisfied with having established law and order in British New Guinea. We should endeavour to develop our new Possession. A definition of good government is "order and progress." In British New Guinea we have established order, and it rests with the Commonwealth to say whether we shall adopt a policy which will make for progress in the Territory. British New Guinea at present seems to me to be like a rich and valuable estate which is neglected, and placed in the hands of a caretaker. In my opinion, it would be a policy of true economy to spend a somewhat larger sum in an endeavour to develop the natural productions of the country, and its great agricultural and mineral resources. In that way, we should create a revenue which is at

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present unobtainable. British New Guinea possesses immense mineral resources, but unfortunately we have not yet been able to make a proper geological survey of the whole area. There are at the present time six proclaimed gold-fields in the Territory. On the islands to the east of New Guinea there are the Louislade and the Marua gold-fields—the latter of which is better known as Woodlark Island. On the main land between the Owen Stanley Range and the coast we have a succession of gold-fields. In the north, adjoining German territory, there is the Gira gold-field. Then we have the Yodda. Near Samarai we have the Milne Bay field; and on the southern coast, in the ranges, we have the Cloudy Bay gold-fields. Those gold-fields are yielding a large amount of wealth. It is impossible under the present system to say exactly what gold is produced in British New Guinea, but a very fair estimate would be from 15,000 to 20,000 ounces per year, or, say, from £60,000 to £80,000 in value. We must remember that two-thirds of the white population of British New Guinea are engaged in the gold-mining industry, and that this industry is more likely than others to attract colonists. There is a certain glamour and fascination about gold, which will lead people to go to places to which no other industry will attract them. We are aware that people poured into Australia in the fifties from all parts of the world to the gold-fields, and when the rich alluvial deposits had been worked out, they gradually settled on the land, and engaged in other industries. The same process is now going on in Western Australia. In the nineties the gold-fields of that State were rushed by crowds of people, many of whom are now taking up land in the agricultural districts. The very same result on a smaller scale will occur in British New Guinea. When the miners have worked out the rich alluvial deposits, and after they have got acclimatized, many of them will gradually settle on the land. There seems to be a desire on the part of many people who go to British New Guinea to remain there, instead of coming down to the colder latitudes, which become unpleasant to them in the winter season. I believe that the miners will gradually drift off into other vocations, establish plantations, and so on, and become equally good and more stable colonists. What we should do in the gold-mining areas, is to grant proper facilities for the opening up and development of the Territory. We want to make the living conditions better. When I mention that on the Yodda gold-field the price of the commonest necessities of life, such as rice, flour, and potatoes, is from 1s. to 1s. 6d. per lb., honorable senators can see that though the miners get a considerable amount of gold, the expenses are so enormous that very few of them make any substantial profit. It should be our endeavour to so increase the facilities as to enable the cost of living on these more remote gold-fields to be reduced by one-half. If we did that, I believe that the fields would support a very much larger population. At the present time many of the miners are disheartened by the almost insuperable difficulties which they are called upon to overcome. What I would suggest is that wherever possible we should cut tracks directly into the gold-fields from the nearest ports. I believe that if those tracks were kept open, so that the porterage would be less than it is at the present time, the cost of living would be enormously reduced. Coming to the question of the development of the natural products of British New Guinea, we are confronted by a very large and difficult problem. We must understand, before we can deal properly with a subject like this, the character of the country, the quality and fertility of the soil, and the climatic conditions; we must also understand the physique, character, and industrial capacity of the native races. In considering what kind of tropical products we shall endeavour to produce in British New Guinea, we must remember that the area of our territory is about 90,000 square miles, of which it may be said that one-half is hilly or mountainous country, and the other half alluvial and swampy. The land on the table-lands and the hills is, generally speaking, fertile, and capable of growing immense quantities of tea, coffee, and products of that kind. On the rich alluvial flats, covered principally by scrub and cane-grass, we can produce a large number of tropical economic plants, which would be of great commercial value. Amongst them I might mention copra, india-rubber, sugar-cane, kapok, cinchona, tobacco, sago, arrow-root, cocoa, cotton, vanilla, and maize. The country is magnificently watered. Senator Symon has mentioned the tremendous rainfall in British New Guinea. We have there very large and majestic rivers. The

principal river is the Fly, which may be called the Murray of British New Guinea. It has been navigated for hundreds of miles from its mouth by steam launches. The mouth of the Fly is forty or fifty miles in width, and to give honorable senators an idea of the large body of water which comes down, I may state that it has been calculated that if all the fresh water of the world suddenly disappeared with the exception of that in the Fly, that river would supply 120 gallons of water per day to every man, woman, and child in the world.

Senator WALKER.—Is there not a delta at the mouth?

Senator STANIFORTH SMITH. — There are islands in its mouth. The fertility of the soil in British New Guinea is very great. I believe that the country is as fertile as that of Java, and in Java we have one of the greatest exhibitions of successful tropical agriculture in the world.

Senator WALKER.—What kind of labour is used?

Senator STANIFORTH SMITH.—The native labour of the island. Java is a country about half the size of British New Guinea. It has an area of 50,000 square miles, and a population of 29,000,000. To show the success, from the commercial stand-point, of the culture system in Java, I may mention that in thirty-five years, besides paying the enormous expenses of government, including the salaries of large numbers of officials, there has been sent home to the Netherlands £40,000,000 sterling. Now, New Guinea, from the quality of its soil, and its other conditions, is at least capable of settling a population as large as that of Java, which is half its size.

Senator Sir JOSIAH SYMON.—There is nothing more profitable than tropical production if it can be successfully carried out.

Senator STANIFORTH SMITH.—Exactly. The soil is so fertile, and the heat and the moisture are so great, that a rotation of crops can be grown, and the fecundity of the plants is so wonderful, that I saw cocoanut trees planted eleven years ago, whose stems were about 60 feet in height. One of the most difficult problems in connexion with the government of British New Guinea is undoubtedly the land question. The conditions obtaining in Australia afford us no guide or index whatever as to the conditions obtaining there. We found in Australia—and I use the past tense—tribes in the very dawn of civilization, nomadic hunters who had no individual property in land, but merely had their tribal boundaries. When we cross the Torres Straits to British New Guinea, we find people who have advanced a considerable way in the path of civilization, and who have attained to what is known as the agricultural stage. Speaking generally, the Papuans are agriculturists. Of course, there are exceptions. In the western division—in what is called the sago country—the Papuans do not cultivate the soil. They live on sago. And it is rather an interesting fact to remark that the natives who live almost exclusively on sago are amongst the strongest and most virile in the island, though they are less prepossessing in appearance than some others. Speaking generally, plots of land are owned by individuals, for the Papuans are individualistic to a degree that should commend them to Senator Walker.

Senator TRENWITH.—Most savages are.

Senator WALKER.—Most people are, if the truth were known.

Senator STANIFORTH SMITH.—These plots of land are marked off by clearly-defined boundaries—it may be by rocks, or by stones, or by trees. They know exactly what each possesses. Their rights to that land are, and should be, just as indefeasible as if they had Crown grants, or perpetual leases.

Senator PLAYFORD.—Are they tribal rights, or individual possessions?

Senator STANIFORTH SMITH.—They are mostly individual possessions. Sometimes a tribe or family hold a piece of land, but generally the property is individual. Sometimes a tribe would hold land, particularly for hunting purposes. One curious custom is, that though one man or one family may own a piece of land, the trees upon it may belong to another man. Unless we know the habits and custom of the people, very great injustice may be done in British New Guinea. The land to which I refer is cultivated, but there are immense tracks of cane-grass, and swamp country, which are lying idle, and useless at the present time. There is no reason why these areas should not be thrown open to the enterprise of Australian colonists who desire to go to British New Guinea. First of all, we should see that the natives are confirmed in their present holdings, and that proper provision is made for the expansion of the tribes; and further, we should see that certain areas of their hunt-

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ing grounds are maintained for them. The unused or unoccupied land, mentioned in the ordinances, present a difficult question, which will require for its settlement much local knowledge and care, if injustice is not to be done to the natives. If, as I suggest, the natives are confirmed in their holdings, there are other large areas which they can never use, and which might be thrown open for the white population. At the time of my visit the Government had resumed, or purchased from the natives at a nominal price, 750,000 acres, principally in anticipation of the advent of large land companies. Those areas were selected in different places, from Yule Island to Milne Bay, with that object; but the land was not subdivided. I find that no facilities whatever are afforded to the small *bonâ fide* planter who desires to obtain land.

Senator DE LARGIE.—Can the honorable senator give any information as to the extent of the land which has been alienated in Crown grants?

Senator STANIFORTH SMITH.—I should say that 40,000 or 50,000 acres have been alienated out of a total of 90,000 square miles. In regard to the 750,000 acres which have been resumed, there are almost insuperable obstacles in the way of *bonâ fide* would-be settlers with small capital; and I may briefly sketch some of the difficulties which have to be faced. In the first place, there is the difficulty of transit. A planter may be told that land is available in the Mekeo district, or at Milne Bay, but he has no means of journeying to those places in order to make an inspection. There are no wheeled vehicles in British New Guinea, and no horses, except one or two at the Government stations, and, as the only roads are native tracks, a steamer or a sailing vessel has to be chartered. It will be seen that it is almost impossible for a man with small capital to inspect land under such circumstances. Then there is the further difficulty that there are no proper plans. A planter is shown a map of large areas which have been surveyed, but there is no information as to the kind of productions for which the land is particularly suited. If the land he requires is not a portion of the 750,000 acres reserved, an endeavour has to be made by the Government to purchase it from the natives. I absolutely approve of the principle of not allowing white men to directly buy land from the natives. More cruelty, hardship, and injustice are inflicted by the system of direct purchase than can well be imagined. White settlers who desire to purchase land go to the poor, ignorant native and dazzle him with sheath knives, tomahawks, beads, or other articles of trade, and he gladly takes these without really knowing what he is selling. When the land has been thus sold, and the native has made his mark, he still believes that he has not parted with the fee-simple, or, at any rate, that the white man has the right to turn him off country which may have been occupied by his ancestors for hundreds of years. The Government very wisely, therefore, provide that no purchase of land shall be made by white settlers direct from the natives. In any case, when the would-be planter has solved all the difficulties I have enumerated, and has bought a piece of land, with the approval of the Government, he cannot take a step further until a survey has been made. When I was in British New Guinea, I heard of cases in which men had had to wait for twelve or eighteen months before there was a survey. None of the land has been surveyed in anticipation, as it should have been; and by the time the survey has been completed, the intending settler is probably insolvent, or has left the country in disgust. Another point is that the survey fees are extremely heavy; indeed, in many instances, it costs almost as much for the survey as to purchase the freehold. Unless those obstacles are removed, it is absolutely idle for us to talk about the development of the natural industries of New Guinea. We propose to vote a subsidy of about £2,000 a year for the extension of a steam-ship service, and I regard that idea as excellent; but I contend that the subsidy will be absolutely wasted, unless we provide facilities for settlers, when they arrive, to obtain remunerative employment. At present they have to kick their heels until their little capital becomes low; and then, as I have intimated, they probably clear out of the country. Those difficulties must be removed if we hope to develop our new Possession.

Senator PLAYFORD.—Similar difficulties have all been removed in the Northern Territory in South Australia for the last quarter of a century, and yet there is no settlement there.

Senator STANIFORTH SMITH.—There are great differences between the Northern Territory and British New Guinea.

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In the Northern Territory there is not such rich horticultural and agricultural land as is to be found in our new Possession.

Senator PLAYFORD.—Is there not?

Senator STANIFORTH SMITH.—In the Northern Territory, there may be a little of such land on the river banks, but there is not the coloured labour that is available in British New Guinea.

Senator TRENWITH.—There is a splendid rainfall in the Northern Territory.

Senator STANIFORTH SMITH.—No doubt there is a good rainfall at Port Darwin.

Senator PLAYFORD.—About 70 inches.

Senator STANIFORTH SMITH.—As one step to the removal of the difficulties I have indicated, portions of the 750,000 acres, which have been resumed, should be surveyed into blocks of 50 acres, 100 acres, or 1,000 acres, and proper plans prepared. The fullest information should be made available as to the kind of crops best suited to the soil and the conditions of the country; and the Government should afford *bonâ fide* settlers every facility for travel. If such a settler desires to inspect land, the Government should either carry him free, or provide means of conveyance at a very small cost.

Senator PLAYFORD.—That means money.

Senator STANIFORTH SMITH.—It does not mean money, because the boats are there, and it would be an easy matter for a Government official to take an intending settler to any place desired by means of a sailing vessel. In Western Australia, when a man desires to take up land, he is given a free railway pass, so that he may make an inspection; and if that can be done where the difficulties of getting about are small, it could surely be done in British New Guinea, where the difficulties are stupendous. If some such step is not taken, the unfortunate intending colonists of New Guinea will have to charter vessels for themselves. In order to afford further facilities, the gardens which are to be found at each magisterial Residency should be expanded into a model farm or State nursery, where there should be grown all the economic plants, trees, and vegetables suitable for that district. Then, again, economic plants should be imported from other tropical countries, and the best methods of culture tested and ascertained.

Senator PLAYFORD.—That has already been done at Port Darwin, without any result.

Senator STANIFORTH SMITH.—In this respect there is absolutely no analogy between Port Darwin and British New Guinea.

Senator PLAYFORD.—It is a tropical country in both places.

Senator STANIFORTH SMITH.—Tropical products cannot be grown as cheaply at Port Darwin as they can be grown in New Guinea. In this connexion we might well adopt the methods followed in Java, where there is a special department to supervise the importation of various trees and plants of commercial value, and to assist the natives in cultivating valuable crops. In the gardens which I have suggested, could be exhibited the products most suitable for the country, and, what is just as important, instruction given in the methods of culture necessary to insure success. A would-be settler could go to one of the farms, and could receive just the class of information which would prove most valuable to him.

Senator DOBSON.—What about cotton growing?

Senator STANIFORTH SMITH.—The soil of New Guinea is suitable for the cultivation of cotton. Young plants could also be grown at these State nurseries and sold to planters who desire to make a start; and this would also prove a source of considerable revenue to the Government. The planting of cocoanut trees, for instance, is a most remunerative undertaking, but the greatest difficulty which a private individual finds is that, when he has cleared his land at a cost of 30s. per acre, he has to wait for from seven to ten years, and during that time keep down the riot of vegetation, before he gets a single penny return. When the return does come, however, it is very handsome; and if the Government were to plant cocoanut trees at the stations, the results would, as I say, be a considerable revenue. If the Government, for instance, planted 4,000 acres with cocoanut trees, 33 feet apart, which is the usual distance, or 50 to the acre, they would in eight or ten years receive, at the lowest computation, a revenue of something like £24,000 a year, or more than the subsidy which we at present vote to British New Guinea. Cocoanut trees could, at no cost whatever, be planted by the native prisoners who are confined at the stations. At each of the Government stations I noticed there were from half-a-dozen to seventy native prisoners detained.

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Some of these prisoners are employed in remunerative undertakings, but many of them are set to cut down cane grass with a sheath knife. If it were cut down with a scythe or sickle before it got too tall, their energies could be applied to profitable occupations. They could work in these gardens, and thus be a means of assisting to enormously develop the Territory. Being an agricultural population, they are specially suited for that description of work, which, indeed, they prefer to any other. If the native prisoners at each residency were employed at a model farm, they would not only be creating wealth in the products of their labour, but would furnish an object lesson as to what the districts would grow. From the cocoanut trees and other plants they would get a revenue equal to the subsidy we vote.

Senator DOBSON.—Are there very many native prisoners?

Senator STANIFORTH SMITH.—At the various stations I visited the number ranged from half a dozen to seventy. I do not know the total number. If that labour were employed in useful and productive channels, it could carry out this work at practically no expense. When the facilities I have mentioned have been afforded, then a knowledge of the advantages and opportunities for settlement should be conveyed to the people of Australia by means of a hand-book, setting out the price of land and the various crops which could be produced. I do not wish to see a large migration from Australia to British New Guinea. But there are always in Australia a number of restless spirits who are continually swarming off to South Africa, Canada, and other places, and who, if diverted to British New Guinea, would cause a great increase in its prosperity. In 1892, Sir William Macgregor issued a hand-book to intending settlers, giving information as to the quality of the soil, and other matters. Since that year, no hand-book has been issued, and the old one has practically fallen into disuse. If these facilities for settlement be given, then a hand-book on the mineral and agricultural resources, issued and distributed at various centres in Australia, would be of the greatest value. The question of native labour is another very difficult problem. When I was in the Territory there were 4,000 Papuans under indenture. They were engaged at their own free will, and paid 10s. to £1 a month, with board and lodging, and it was a twelve-months' engagement.

Senator PLAYFORD.—What were they doing?

Senator STANIFORTH SMITH.—They were working principally on the gold-fields, some as domestic servants, and others assisting the traders and planters. They were also carrying up to the gold-fields. The men are distinctly benefited by the system of indenture. It is admitted on all sides that if treated properly they are finer men at the end of the term than they would have been if left to loaf about the villages, and get into all kinds of mischief. With the exception of these 4,000 men, there is a danger of the general population lapsing into a condition of sloth and idleness, and nothing is more detrimental to the physique, and to the mental and moral character of the natives. When the British first went there the natives were continually at war with each other. The men were principally warriors. They thought that other work was *infra dig.;* they left it to their wives and womenfolk. They employed a great deal of their time in making weapons and in war dances. The British stopped that internecine strife; they deprived the natives of their weapons, and prevented them from making others. These modern Othellos have now lost their occupation, and there is a danger of them lapsing into a condition of sloth and indolence, which would deteriorate them. The question arises, what method can we adopt to stimulate their industry, without in any way bringing in veiled slavery, or any system of forced labour for other people? Many systems have been suggested of direct taxation, which means payment in products. If the natives do not pay in products they are put in prison for a certain time, with hard labour, which is practically a form of veiled slavery. The culture systems which were adopted in Java, and the corvè, have been suggested, but all these are opposed to a Britisher's view of justice, and if they are not unjust they are impracticable as applied to British New Guinea. It has been stated that the people of the Commonwealth are put to great expense in maintaining law and order, conserving the rights of the natives, and protecting them from hostile tribes, and yet the natives pay no taxation. That is absolutely incorrect. If we remember that the 4,000 natives, who are paid from 10s. to £1 per month, are paid, not in gold, but

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in goods, and that the only system of taxation is through the Customs House, we can see that they contribute a very large proportion of the Customs revenue. The natives who buy merchandise from the traders also contribute to the Customs revenue. It must be remembered too, that we went to British New Guinea and took certain tracts of land which the natives were not using, without practically any payment therefor. Therefore, I contend that the natives have contributed very considerably, not only in taxation, but in other ways, to the British since their occupation of the Territory. The fact, however, remains that the only people who pay taxation are those who voluntarily undertake to work for the white settlers for payment; and the question is, what can we do without going in for any system of forced labour for the Europeans to create a more industrious *régime* amongst the native population. In the native ordinances two regulations were passed which were in every way beneficial to the natives and to the whites, and which, if enforced, would have meant a large accretion in trade and revenue to the Possession. They were passed in 1894 by that prince of administrators, Sir William Macgregor, but neither of them has been fully enforced. The regulation with regard to the planting of cocoanuts is couched in the simplest language, so that it can be understood by the natives. It reads as follows:—

1. It is good to plant cocoanuts.
2. The trees will belong to the person that plants them and to his heirs.
3. The Magistrate will talk with the people of each village, and fix the smallest number of cocoanuts that each man shall plant in one year.
4. All men will not have to plant the same number, as some men have little land or cannot obtain many cocoanuts.
5. Every man shall keep his cocoanuts clean.
6. Any man that does not plant cocoanuts, and keep them clean as fixed by the Magistrate, may be brought before the Court.
7. If the man is found guilty, the Magistrate may send him to prison for not more than three days.
8. If the Magistrate thinks a man has already enough cocoanut trees the Magistrate will not make him plant more.
9. If a man has no land, he will not be made to plant cocoanuts.

If that regulation had been enforced during the last ten years, a great portion of the coast would now be a waving mass of cocoanut palms, yielding an immense return, and involving increased exports, and as a result increased imports, with, of course, a large additional revenue. The shiftless natives merely plant what they require for their immediate necessities, and when there is a shortage in crops there is a time of starvation for them. When I was in Port Moresby the Hanabada tribe were in great straits, and were being fed with sago obtained from the swamps in the western portion of the island. If they were forced to plant trees for their own use, it would be an immense advantage to them, and would increase the value of the commercial products of the Territory. This regulation is carried out in certain portions, but not to anything like the extent it should be. In a private letter I received only the other day from British New Guinea, although I did not mention the subject to my friend, he refers to the planting of cocoanut trees under that ordinance. He says—

I often think what a thousand pities it is that this most excellent regulation, framed many years ago by Sir Wm. Macgregor, was never enforced as it should have been. How much better commercially the country would be to-day had this been done.

The writer has lived a long while in the Territory, and I know of no man more competent to speak on such a subject than he is.

Senator DOBSON.—Have any men been imprisoned for not planting cocoanut trees?

Senator STANIFORTH SMITH.—I do not know that they have, but the regulation is primarily in the interests of the natives; and, secondarily, in the interests of the white people.

Senator DOBSON.—Was an effort made to enforce it at the beginning?

Senator STANIFORTH SMITH.—Yes; but it has not been enforced as it should have been. I hope that it will be enforced in the future to the advantage of the Territory. There is a second regulation which does not immediately add to the revenue of the Possession, but which is of immense importance. It refers to the keeping clear of the roads and native tracks. In many places the villages are only a few miles apart, and the natives are called upon to keep the track to the next village clear, because in that climate the native tracks are covered with a perfect riot of vegetation in a few months, if it is not constantly kept back. If tracks were neglected the Territory would be absolutely impenetrable to a white man. He could not get inland, law and order could not be administered, and the difficulties of progress and commercial undertakings in

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the island would become almost insuperable. This regulation was passed by Sir William Macgregor in the same year as the other, and it insists upon the natives keeping their tracks open and in good condition. Unless the natives were forced to do that it would be absolutely impossible, even if we employed an army of 500 men to keep the tracks open.

Senator TRENWITH.—How would that regulation be administered?

Senator STANIFORTH SMITH.—Certain men are chosen to do the work, and if they refuse to do it they are imprisoned for, from three to seven days. If they continue their refusal they are imprisoned for a longer term, and are made to work on that road, or at a Government station.

Senator TRENWITH.—Who makes the selection?

Senator STANIFORTH SMITH.—The selection is made from amongst the able-bodied men of the village by resident magistrates, or by the village constables, as their representatives. I admit that the roads are kept open in many places, but not sufficiently. If these arteries were kept open the white people would be enabled to go inland and develop the country. That would be of immense benefit to the Administration, and also to the natives themselves, as they would be enabled to travel about with greater ease. In this connexion, I should like to read an extract from an article by Mr. Alleyne Ireland, a great authority on tropical colonization, which appeared in the London *Times* of the 11th September, 1903. He says—

> The history of civilization has many lessons to offer to the student, and none more emphatic than this, that for an undeveloped country, and especially for a country of dense forests, the first great need is good roads, the second the utilization and improvement of existing river communication.

There are practically no roads in British New Guinea. There is no wheel traffic, and very few horses or cattle. It is difficult to make and maintain roads in that country, but there are native tracks, by which, if they were kept open, it would be possible for people to get inland, and to travel between the various parts of the Possession. There is another matter in connexion with the government of British New Guinea, which requires to be most carefully attended to. Nothing is more open to abuse than the recruiting of coloured labour. That is the most easily abused traffic that could possibly be imagined. The most stringent regulations are made to control the people engaged in recruiting. Heavy penalties are provided for any violation of the law, and each recruit must sign on before a magistrate, who must be satisfied that he is willing to undertake the work for which he has been recruited.

Senator TRENWITH.—Who are allowed to recruit?

Senator STANIFORTH SMITH.—Certain licensed private individuals.

Senator PLAYFORD.—For whom are they recruiting at the present time?

Senator STANIFORTH SMITH.—For the gold-fields, principally.

Senator CLEMONS.—For Woodlark Island?

Senator STANIFORTH SMITH.—For Woodlark Island, Gira, Yodda, Milne Bay, and Cloudy Bay.

Senator PLAYFORD.—Is the recruiting carried on in New Guinea proper, or in the adjacent islands?

Senator STANIFORTH SMITH.—On the mainland, as well as in the islands, and some are brought round even from the Fly River. As I have said, the most stringent regulations are framed in order that it may be clear that the natives recruited understand the nature of the work for which they are engaged, and the term of their engagement. They are told that they are to go for twelve moons, or something like that, to explain to them the time they will be away. But I say unhesitatingly that in spite of all these precautions, there is great liability to abuse. When a man is paid so much per head for the recruits he obtains, a commercial element enters into the transaction, and he is very liable to transgress the strict bounds of the law, and to do what will be unfair and unjust to the natives. He is liable to mislead them as to the nature of the work they will have to perform, or as to the terms for which they will be employed. I contend that the present system of licensing recruiters should be stopped. We should have Government officials in charge of this work—men who will be paid a fixed salary, and who will gain no monetary advantage by securing a large number of recruits. It is only by eliminating the commercial and sordid element, to which I have referred, that we can be absolutely certain that the natives will be recruited in a proper manner. I would point out that the fees charged by licensed recruiters to the persons who

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employ the natives would be more than sufficient to pay Government officials for the work, because the occupation of the licensed recruiter is at present a fairly lucrative one. I must also refer to the question of the boundary between Queensland and British New Guinea. There has been a long unfulfilled promise by the Government of Queensland to adjust the boundary difference between that State and the Territory. The Queensland boundary extends right up to the coast of British New Guinea, and takes in all the islands. What the Queensland Government promised to do was to fix the boundary at about the centre of Torres Straits—the tenth parallel of south latitude. That would mean that the islands which naturally belong to British New Guinea would be under the jurisdiction of that Territory. At present valuable fishing grounds adjacent to New Guinea are included in Queensland waters, and great necessity exists for the protection of New Guinea natives engaged in them. For instance, the island of Saibai, which is only a mile or two from the mainland of British New Guinea, is Queensland territory. It is unfortunately a fact that arms, ammunition, and drink have been sold to the natives of that island under Queensland laws, or in violation of them, and have then been taken across to the mainland. The island is so close to the mainland that the natives visit it for fishing purposes for a few weeks, and then return to their plantations on the mainland. The Government of British New Guinea has in this matter experienced the greatest difficulty. They have had to apply Customs and quarantine regulations between Saibai and the mainland, in order to prevent the supply of drink and arms to the natives of the Territory. It is a gross injustice to the natives that they should not be allowed to travel to and from Saibai, except under the most strict supervision. There are 200 or 300 Papuans engaged in the pearl shelling industry of Torres Straits. Under existing conditions these men in the lying-up season, or when the water is muddy, go to Thursday Island, where, owing to the very lax administration of the law, they are allowed to get drink, and they contract various vices and diseases. The liquor laws are so scandalously administered in Thursday Island that any coloured man can enter a bar in that place, and get drink whenever he pleases. The Papuans, who have worked on the pearling boats, have acquired a taste for liquor, and they now try to smuggle it into the western division of British New Guinea through the island of Saibai. I say that so long as existing conditions are maintained in Thursday Island there should be a stipulation that Papuans recruited for the pearl shelling industry should not be allowed to call at Thursday Island. Their head station should be at Daru, where they sign on, and where 100 or 200 pearling boats are registered. The Government propose to subsidize a steamship service to New Guinea to the extent of £2,000 per year. The subsidy is a very moderate one. From inquiries I made during my visit to the Territory, I was under the impression that the expense involved would be very much greater. The service is to start from Thursday Island, and to call at all the southern ports of British New Guinea. What is required is that the steamer shall on alternate trips go in opposite directions, or return by the same route, so that the people of British New Guinea may be able to go backwards and forwards between the various settlements. If the service is conducted in the old way, running round to the various stations, in the same order on every trip, they will not be able to do so. A very great advantage which would be derived from the adoption of the course I suggest would be that the Chief Justice would be able to hold his courts regularly. When I was at Samarai there was great complaint that the Chief Justice visited the settlement at irregular intervals, and persons interested could not be notified of his visit. There is, of course, no telegraphic communication, and there is sometimes no communication between Samarai and Moresby for a month at a time. When the Chief Justice visits Samarai to hold his court, and deal with prisoners waiting there, the necessary witnesses are in many cases at Woodlark Island or at Mambare. Those having cases before the court are unable to get their witnesses to Samarai in time, and great injustice is often the result. With a subsidized line of steamers running alternately different ways, the Chief Justice would be enabled to frame a calendar, people would know when the courts would be held, the witnesses could be ready, and fair trials would be the result. In connexion with the subsidized service, I might say something about the *Merrie England*. That boat was presented or lent by Great

Britain to New Guinea in the time of Sir Peter Scratchley. It has been a very expensive boat, and in some respects a white elephant for the Possession. If this steamer service is carried out by alternate rcutes, as I suggest, the *Merrie England* might be practically superseded by the steamship engaged in the service. It would then be possible to lay up the *Merrie England*, or to sell her, and with the proceeds purchase steam launches, which are very much required in the Territory. The *Merrie England* at present costs the Possession £7,000 a year to maintain, which is one-third of the total revenue of the Territory from taxation. She is a boat of 120 tons, and draws 15 feet of water, which is altogether too much for a coasting boat in those waters, and she carries only 40 tons of cargo, as most of her space is taken up with cabins. If she were laid up, or sold, there would be a saving to the Possession of £7,000 per year. The revenue received from taxation during last year increased by £2,000, and with the saving of £7,000, by laying up the *Merrie England*, the increase in revenue, and the subsidizing of a steam service, the Territory would have the increased financial stimulus which I have always urged should be granted to British New Guinea, in order to start the forward movement for the development of our new Possession. There is no reason why in time it should not become self-supporting, and a very valuable Possession for the Commonwealth. There are other topics on which I might touch, but with which I shall not now deal.

Senator DOBSON.—Is there any scope for growing cotton in New Guinea?

Senator STANIFORTH SMITH.—There is in New Guinea excellent land for the growth of cotton. I have a letter which I can show the honorable and learned senator, from a gentleman who states the results of cotton-growing in British New Guinea.

Senator DOBSON.—Has the honorable senator considered the advisability of offering a large tract of land to an English company for the growth of cotton?

Senator STANIFORTH SMITH.—I should be prepared to support a proposal to give a large tract of land upon a long lease, at a low rental, to persons who would undertake to utilize the land, but we should not give land to a company that would hold it for sale to other persons. That has been the experience with land concessions in British New Guinea to companies like the Somers-Vine syndicate. I have dealt with topics which are, I think, of immediate importance in considering the position of British New Guinea, but I might also refer to such questions as that of education, the establishment of a Department of Agriculture and Mining, and the establishment of a bank. Great difficulties are at present experienced in British New Guinea, owing to the fact that there is no bank established there, and also to the lack of telegraphic and telephonic communication. All these are matters for the future, and must come up for consideration as the development of the Territory proceeds.

Senator DOBSON.—Is there no education provided for native youths?

Senator STANIFORTH SMITH.—There is only that provided by the missionaries.

Senator DOBSON.—Does the honorable senator believe that the missionaries are capable of taking up the whole matter?

Senator STANIFORTH SMITH.—For the present, I think they are. They have a college at Vatarata. At Kwato there is an industrial mission, with a great number of scholars.

Senator DOBSON.—Can the missionaries undertake all the education required in British New Guinea?

Senator STANIFORTH SMITH.—No. They only undertake a small proportion of it. There are also the questions of appointing a native protector, of rewards for the discoveries of gold-fields, and similar matters upon which I have not touched. I have taken up a great amount of time, but I hope that I have not wearied the Senate.

Senator DOBSON.—No; the honorable senator's speech has been very interesting.

Senator STANIFORTH SMITH.—I have given a great deal of consideration to this subject, and I believe that if the suggestions which I have outlined are carried out there will be a new era of prosperity in British New Guinea. We have done excellently well in establishing law and order throughout the Possession, or, at any rate, in the coastal districts. We now need to take another step. The establishment of stable government has paved the way for an era of progress, and I believe that, without any extra expense, if the suggestions I have ventured to make are carried out, we shall in time have a revenue sufficient to

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meet all the requirements of government. The underpaid civil servants will then have better conditions afforded to them, and the native races themselves will be benefited, instead of injured, by the fact of the white people having come amongst them and established industries.

Senator WALKER (New South Wales).—I believe that I voice the feeling of the Senate when I say that we have had two splendid speeches upon this subject from the Attorney-General and Senator Smith. They have been most educative speeches. I have listened to them with great pleasure, and have obtained from them considerable knowledge which I did not previously possess. The Attorney-General referred in very gratifying terms to the history of this great island. He alluded to it as a Dependency of the Commonwealth, and mentioned that the irregularity of communication was one great drawback to the progress of British New Guinea. He also referred to the necessity for elasticity in the land laws and to the necessity of legislation regarding the importation and sale of intoxicants. When we come to deal with the Bill in detail we shall find that probably the principal difference of opinion will be with respect to clauses 20 to 23, which refer to the power to grant land, and to the restrictions on the sale of intoxicating liquor. I do not know whether honorable senators have read the very excellent and interesting parliamentary paper on New Guinea, No. 47. It contains an immense amount of information, both with regard to the land question and the liquor restrictions. I was particularly struck by the evidence of the missionaries. One missionary, the Rev. Dr. W. G. Lawes, who has been in British New Guinea for about thirty years, gives some valuable information on page 25. The missionaries are not generally supposed to be sympathetic to the sale of liquor. But, nevertheless, Dr. Lawes speaks of the present law as a good one, and adds that he does not think that liquor is sold to the natives under it. Other missionaries bear similar testimony. We shall have to give grave consideration to this subject before we remove from the local governing bodies the power to control the liquor traffic. Senator Smith made some very good points. He pointed out that what we have to consider are three matters—first, the transfer of the Territory to the Commonwealth; second, the framing of a Constitution; and third, the enactment of Federal laws. I was surprised that he did not refer particularly to so debatable a question as the liquor traffic.

Senator STANIFORTH SMITH.—That will be a matter for discussion in Committee.

Senator WALKER. — The honorable senator made a very good point in alluding to the necessity for opening up the country by means of roads. Certainly the making of good roads is a very important step in extending civilization to a country. The Highlands of Scotland were to a large extent brought under civilization by the making of roads.

Senator Sir JOSIAH SYMON.—The Highlands were civilized long before that time.

Senator WALKER.—Perhaps Senator Symon will say that by the making of these roads the Highlands were enabled to civilize the rest of the world!

Senator Sir JOSIAH SYMON.—It was an unsuccessful attempt to subjugate them.

Senator WALKER.—It is nevertheless certain that the making of roads and the opening of Fort William and Fort George did a great deal to bring the Highlands into contact with the rest of the civilized world. Senator Smith is quite right in saying that there should be more surveying in British New Guinea. We made a great mistake in New South Wales in having selection before survey. We should have had survey before selection, in order to prevent the buying up of large areas by comparatively few people. We are very fortunate in having had excellent Administrators in British New Guinea. Sir Peter Scratchley, Sir William MacGregor, and Sir George Le Hunte were splendid officers. But the evidence of Captain Barton shows that we shall take a great responsibility on ourselves if we make a departure from the present practice in regard to the liquor traffic. I like the idea of having a good handbook prepared. British New Guinea is a place which many of us would like to see; but, unfortunately, the climate seems to be most unhealthy in many places. We know that Captain Barton suffers a great deal from the effects of intermittent fever.

Senator STANIFORTH SMITH.—It is only the swampy places like Woodlark Island and Mambare, that are unhealthy.

Senator WALKER. — Port Moresby seems to be one of the healthiest portions of British New Guinea, though there is some fever there; whilst in one of the districts I believe that four resident magis-

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trates died one after the other in rapid succession. We certainly have in Java an object lesson as to what can be done with a tropical country by the employment of large bodies of native labour. But I am afraid that the idea of employing native labour in British New Guinea would not give pleasure to our friends of the Labour Party. With regard to the pearl-shelling industry, there is a great deal of force in the suggestion that we should have a better system of enforcing the law on the islands in Torres Straits. What Senator Smith has said is quite true, that some of the islands which are near to British New Guinea are administered under Queensland laws. The blacks have to some extent been demoralized by lax administration in regard to strong drink. It is not so much the New Guinea law as the Queensland law and its administration that have been at fault. It may not be generally known by honorable senators that British New Guinea extends to the fifth degree of south latitude. Most of the Possession is, of course, further south than that; but still, when territory extends up to the fifth degree, we must recognise that the conditions must be very different from what they are in Australia. For this reason we ought to give a great deal of latitude to the officers intrusted with the administration of the local government. We should trust in their wisdom. We, living so far south, are not competent to legislate for the Territory as well as are those upon the spot. I have put certain questions on the notice-paper for next Wednesday, and I hope that as a result of them some information will be given to the Senate which we do not at present possess. I rather fear that if we prevent the alienation of land, the result will be that enterprising persons who desire to go to British New Guinea will prefer to take up land in Dutch and German territory rather than in our Possession. It must be remembered that British New Guinea was annexed largely at the request of the Queensland Government. I was in Queensland at the time, and I know the feeling that prevailed. Sir Thomas McIlwraith sent up a party to take possession in the name of the British Government. His action was disallowed, but if effect had been given to it the Germans would never have obtained a footing in the island. We must not forget that if we make our liquor laws too restrictive there will be a considerable danger of smuggling on the gold-fields, particularly the Gira and Yodda gold-fields, which are near to German territory. Captain Barton points out how difficult it will be to suppress this smuggling, if we disallow the use of alcoholic liquors except for medicinal purposes. In regard to the means of communication, I think it is a very good idea that any vessel which is subsidized should make alternate trips in opposite directions, or go and return the same way. Perhaps the latter course would be the better. If the vessel started from Thursday Island, and came back on the same route, visitors to British New Guinea would be able to get from place to place much more easily and in less time than at present.

Senator STANIFORTH SMITH.—Yes, that would, perhaps, be better still, if it be done in a month's trip.

Senator WALKER.—It is said that many British subjects would not care to go to Dutch or German New Guinea, because they would have to become naturalized citizens under those Powers. But the strongest opponent we have had in the islands is a British subject named Higginson, who has become a naturalized Frenchman. It was this person who obtained the support of the French Government, and the subsidy to the French New Hebrides Company. It may be that there are British subjects who have such a love of the "bawbee" as to give up their nationality, but I hope that such Britishers are few and far between. We must, however, recognise the facts, and our desire is to see British New Guinea become a valuable British Dependency. I presume that it is also recognised that the revenue will be considerably curtailed if we do not allow the importation of alcoholic or spirituous liquors. The revenue derived from that source is now, I believe, £3,000 or £4,000 per annum, and that, of course, will probably increase with the population. If New Guinea has to be self-supporting, and there is no importation of alcohol, the other duties will have to be raised to a considerable extent; and, in addition, the outlay by the Commonwealth on this Possession must be increased. I admit, on the other hand, that financial reasons ought not to outweigh moral considerations; but of course there is a legitimate as well as an illegitimate use of stimulants.

Senator HIGGS (Queensland).—I should have preferred to see the consideration of this measure delayed until members of the Senate had had an opportunity to visit New

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Guinea and acquire local information on the spot. It is just as necessary for us to inspect New Guinea as it was for members of the Federal Parliament to inspect the proposed Federal Capital sites before coming to a conclusion. I suppose, however, that honorable senators desire to see this Bill passed. I must express my regret once more that we have ever had anything to do with New Guinea. It is only a kind of national earth-hunger which makes us endeavour to get possession of such places. I can sympathize with nations like France or Germany——

Senator WALKER.—Or Russia?

Senator GUTHRIE.—Or Belgium?

Senator HIGGS.—I can sympathize with such nations, which have limited territory and many millions of people, in the endeavours they make to acquire new territory for the settlement of their surplus populations. But I have no sympathy whatever with honorable senators like Mr. Smith, who wish to annex all the islands of the Pacific for so-called strategic and other reasons.

Senator STANIFORTH SMITH.—My policy is defence, not defiance.

Senator HIGGS.—The honorable senator's policy is not defence, but a policy of simple grab. We in Australia have, I suppose, a unique opportunity as a nation of 4,000,000 of people; there are none so fortunately situated as ourselves in that respect.

Senator STANIFORTH SMITH.—I think I was about the only honorable senator who opposed the annexation of New Guinea.

Senator HIGGS.—I believe the honorable senator did oppose the annexation, but now that he has not succeeded he wishes to go further, and annex the whole of the islands of the Pacific.

Senator Sir JOSIAH SYMON.—The honorable senator desires to make up for lost time.

Senator HIGGS.—The various Governments of the States of Australia are at the present time endeavouring to find ways and means to attract people to the Commonwealth. Immigration is what we require—nearly every one is calling out that we want more population. But the legislation at present under discussion is being passed with a view to induce people to leave Australia for New Guinea.

Senator STANIFORTH SMITH.—No; the legislation is with a view to direct into a proper channel those who are leaving.

Senator HIGGS.—I often wonder what is our duty with regard to coloured peoples—how far we can, as a civilized people, segregate ourselves from the coloured races of the earth. It appears to me to be a bit of a problem whether we should leave these shores for New Guinea, or send our representatives to such places, with a view to settling the lands and civilizing the natives. I wonder whether we shall be able to save the natives of New Guinea from the unhappy fate which has befallen the aboriginal natives of Tasmania, and which is rapidly overtaking the aboriginal natives of Queensland, and, I believe, of Western Australia.

Senator STANIFORTH SMITH.—That depends on whether honorable senators vote for prohibition.

Senator HIGGS.—I have consulted missionaries who have spent many years in New Guinea, and I must say that I do not discern on their part any spirit of hopefulness for the future of the natives. Some of those missionaries tell us of the good work which has been done—of the reformation which has taken place amongst the natives who are brought within their sphere of influence. But when one puts the question as to whether the natives can ever be civilized, the reply is, to my mind, not very satisfactory. The majority of missionaries who go to New Guinea are able to stay there only for a few years. Every now and then a missionary has to obtain leave of absence for twelve months, in order to recruit his health, or has to leave the Possession on account of the health of his wife and children. It appears to be very difficult to rear white children in New Guinea.

Senator FRASER.—It is difficult to rear white children in some parts of Australia.

Senator HIGGS.—That is a question with which I am not just now dealing. Children in New Guinea become ænemic, and have to be brought away if their lives are to be saved. It must be borne in mind that, although the missionaries have a hard time compared with those who do similar work on the mainland, they are in a far better position than those engaged in pioneer work in mining and similar occupations. I do not think that we shall be able to do much for the natives in New Guinea unless the Commonwealth legislation is of such a character, and is administered in such a manner that certain portions of the revenue are set apart for the purpose of educating them and

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maintaining them in their old age. Senator Smith observed that we shall save the natives if we adopt the prohibition clause.

Senator STANIFORTH SMITH.—Discuss that matter later on in Committee.

Senator HIGGS.—But it is one of the main features of the Bill, for the reason that Senator Smith and others wish to impose restrictions upon the white settlers of New Guinea which they are not prepared to impose on themselves in Victoria, where there are all the comforts of civilization. I agree with Senator Smith that we should endeavour, by all the means in our power, to keep alcoholic stimulants away from the natives.

Senator WALKER.—The ordinances successfully do that already.

Senator HIGGS.—From all the conversations I have had with New Guinea residents, I do not think we shall be able to keep liquor away from the natives, even if we legislate for prohibition.

Senator PLAYFORD.—Hear, hear! There will be smuggling.

Senator HIGGS.—The islands about New Guinea are so numerous and there is so much trading going on amongst them, that it will be almost impossible to stop the importation of alcohol.

Senator FRASER.—The natives will soon be destroyed if alcohol is allowed in New Guinea.

Senator HIGGS.—That remark bears out my fear that we shall not be able to save the New Guinea natives from the unfortunate fate which has overtaken the natives of the mainland. They will get drink, and also opium, and the latter is likely to create greater ravages than will alcohol.

Senator STANIFORTH SMITH.—Disease kills more natives than all the other causes put together.

Senator HIGGS.—By whom was the disease taken to New Guinea? By white people, who are not satisfied with the enormous territory we possess on this continent.

Senator STANIFORTH SMITH. — There ought to be applied to them the same quarantine regulations as apply to cattle.

Senator HIGGS.—In common with other honorable senators, I suppose, I have received communications from various temperance organizations, whose opinions are entitled to the very greatest respect. We have also, however, received communications from residents of New Guinea, and from gentlemen of the high character of Bishop Stone Wigg and others, who declare that it will be a great mistake to prohibit the introduction, manufacture, and sale of alcoholic liquors in the Possession. Therefore, I shall be prepared, in Committee, to support any amendment to permit the people of New Guinea to say whether or not liquor shall be prohibited. Of course, I shall support any provision to prohibit the supply of liquor to natives by any white settlers; and I should even go so far as to favour a proposal to punish any white settler, so offending, by having him deported from the Possession, if any place can be found where he may live the life of a respectable citizen. I am quite in favour of the proposals dealing with the question of the alienation of land. I support those proposals with all their disadvantages; and it must be admitted that there are disadvantages in connexion with the land system. The longer I am in political life the more I see that Crown tenants frequently band themselves together in strong organizations, and bring pressure on the Government in order to obtain large remissions of rent.

Senator PLAYFORD.—That is done in South Australia, where such tenants even apply for the fee-simple after they have taken up land on lease conditions.

Senator HIGGS.—Under such circumstances the public do not get a fair return from their landed estate. The members of the Government and the Parliament are, of course, open to a certain amount of pressure, caused by the public opinion, which the Crown tenants create very often. In Queensland, where about 18,000,000 acres out of hundreds of millions have been alienated, whenever a drought comes along, or a pest arises, a meeting of the Crown tenants is held, and they approach the Government, with a view to getting a remission of rent, or some other concession. The public in the towns have every sympathy with them, and the press speaks in their favour, with the result that they get a remission of rent, and the State does not receive a farthing per acre per annum for millions of acres of land. Some stricter system will have to be adopted in British New Guinea if the Government are to get a fair return from those who will rent the lands under the proposed system. There is a great defect in the Bill, I think, and that is that we, who prize so much our system of local government, and are so much attached to adult suffrage, are not giving the residents of the Territory any elective representation in the Legislative Council. An

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article in to-day's newspaper about the Eureka Stockade, reminds us how necessary it is to give the pioneers, especially the miners in any country, some elective representation in its Legislature. I hope that an amendment will be proposed to provide that the white settlers shall have some elective representation in the Legislative Council. It will be a fatal defect if that is not done. Having, I regret to say, taken over the Possession, we must try to govern it well. A very fair attempt has been made by its framers and by another place, to produce a comprehensive and good Bill, and I hope that it will be improved by the Senate, in the direction which has been suggested.

Senator DOBSON (Tasmania).—It is the duty of each member of the Senate to take a deep interest in this enormous Territory. But I cannot quite agree with some of the suggestions made by Senator Higgs. To grant the suffrage to the white settlers, two-thirds of whom are miners, who may be here to-day and gone to-morrow, and who are not quite pioneers in the ordinary sense of that term—that is, men who take their capital and settle down on the land for life—is a risky thing. The time will come when there may be a young democracy in this Territory, but that time is not yet. I rose chiefly to congratulate Senator Smith upon having made a most useful and interesting speech, and to ask the Attorney-General whether we ought not to make some practical use of it. Copies of the *Hansard* report of the speech ought to be sent to the Administrator of the Government to report thereon, and to see whether some of the suggestions which my honorable friend has made, after personal visits and considerable thought and research, cannot be carried out for the good of the inhabitants. It is of no use to waste a morning over a most important matter, and to listen to a great quantity of good information and honest and intelligent criticism, unless the powers that be are to take some notice of it. I am rather in doubt as to the land policy, which is laid down in the Bill. I was not at all surprised to hear the Attorney-General express some doubt as to whether the clauses are not too elastic. We have to face the competition of Canada, Argentina, and other great countries, which have enormous tracts of land, and which offer great facilities to intending settlers, and, I ask, can any one cite a country where a system of leasehold only has been a success in helping to develop a new and large territory, and in attracting colonists to it? If Canada and other countries, in which land is available, adopt the fee-simple system, we ought to be satisfied in our minds, that there is not such a grave objection to the leasehold system as would prevent our colonizing this Territory by that means. A few years ago New Zealand was held up as affording a striking example of the success of the leasing system. But we all know now that there are many persons there—according to a newspaper, a majority—who desire to revert to the fee-simple system.

Senator PEARCE.—The fault is that the two systems exist side by side.

Senator DOBSON.—There are objections to the leasing system. If a man is asked to become a pioneer or a permanent settler, he expects, as a matter of course, not a lease with a periodical increase of rent, but a grant in fee-simple. That is only a natural expectation. Will the men, on whom we shall have to depend for developing Papua put up with the leasing system? If they find that it is very disadvantageous to them, as compared with the Canadian and other systems, shall we not lose a large number of the very type of immigrants we wish to attract to the Territory? That is a very complicated question, on which I have no very fixed views, because the opinions I had about the leasing system are being weakened. I desire to say a few words about the liquor traffic. According to a paper, which the Attorney-General placed at my disposal, the licensing system in the Territory is to some extent being abused, and is not quite as perfect as the Bishops and missionaries would have us believe. In this document the Administrator says—

> I am, I regret to say, not yet in possession of the result of the Government Secretary's inquiries as to the number of licences in force, &c. They are granted by the Resident Magistrate in each division, and no general record of them has been kept at head-quarters. However, from my own knowledge, I think, in the main, I can supply the information sought.

In a community of 500 white persons and half-a-million natives, the Administrator says that no record of the number of licences is kept.

Senator STANIFORTH SMITH.—The goldfields in the eastern portion of the territory

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have no communication with Port Moresby except perhaps once in three or six months. Their only communication is with Samarai, which is not a Government station. If there is a rush of diggers, action must be taken at once, without waiting for six months; therefore the resident magistrates are clothed with power to grant these licences.

Senator DOBSON.—My honorable friend has perhaps given an excuse, but it does not get over the statement of the Administrator that no record of the licences has been kept.

Senator STANIFORTH SMITH.—They know all the licences which have been granted, except at the gold-fields.

Senator DOBSON.—When a magistrate grants a licence, a fee has to be paid. Surely it is his duty to advise the Administrator or somebody else of its issue at the earliest possible moment? Nothing can justify what the Administrator has written here. It shows that there has been carelessness. He goes on to mention that twelve licences have been granted to stores, and about seven licences to hotels. In all, about nineteen licences have been granted. In other words, there is one licence to every twenty-five of the white residents.

Senator Sir JOSIAH SYMON.—The wonder is that there is such perfect immunity from mischievous results. That is what we ought to direct our attention to.

Senator DOBSON.—With our experience of the liquor traffic in a civilized community, it is absolutely wrong to grant one licence for every twenty-five of the European community in the Territory. The Attorney-General will be carrying out the wishes of thousands of persons if he will make the most stringent inquiries on this point from the Administrator. I can quite understand that the excuse may be offered that small settlements of miners are numerous, and therefore justify the issue of a larger number of licences than is usual.

Senator Sir JOSIAH SYMON.—Some licences are granted to stores for the sale of goods.

Senator DOBSON.—A bottle of whisky can be bought at a store. A licence only entitles a hotel-keeper to sell not less than can be contained in a quart bottle, but as a matter of fact, a bar trade is carried on as the Administrator points out—

> All applications for licence at this station were rejected, but, in a report from Mr. Jiear, which I saw for the first time yesterday, he states that, in view of the requirements of the place, the Lieutenant-Governor on his last visit, having withdrawn the veto, he (Mr. Jiear) had accordingly granted a licence to an applicant.
>
> There is also a packet licence issued to Messrs. Whitten Bros.' steamer *President*, and there may be one or two other packet licences issued at Samarai.
>
> Your Excellency will have observed that section 4 of "The Liquor Ordinance of 1891" does not authorize what is generally known as a "bar trade," but such a trade seems to have been permitted, and the hotels at Port Moresby and Samarai, and the stores in the more remote places, sell liquor by the glass under the licence granted them.

There is other evidence which goes to show that just the same orgies occur at some of the licensed houses as take place in the slums of our cities.

Senator STANIFORTH SMITH.—There is far less danger of the natives getting liquor.

Senator DOBSON.—I place very little reliance upon that, because if liquor is obtainable, sooner or later the natives will get a supply in spite of the penalties which may be threatened. The Attorney-General said it was a miracle to think that the natives had hitherto obtained so little intoxicating liquor, and that there had been so few prosecutions on that score. It most certainly is a miracle.

Senator Sir JOSIAH SYMON.—I meant that it was a miracle of good government.

Senator DOBSON.—When we find that licences are issued to an enormous extent, that a bar trade is carried on at the hotels contrary to the law, and that there are two islands which facilitate this traffic, and in which the natives are acquiring a taste for drink, it is impossible to believe that this miracle is likely to continue. We are not living in an age of miracles. We are all aware that in many communities liquor has got amongst the natives, and practically ruined them by thousands. I shall be very pleased to hear the arguments which may be used for or against the liquor traffic, but it appears to me that the proposal to put this traffic under the control of the Government is well worthy of our consideration. It may be said that I am now advocating Socialism, but if there is ever to be a case in which a good opportunity will be afforded for trying the system of Government control, it surely must be in British New Guinea, where there are only 500 whites. It appears to me that the liquor traffic should be placed under Government control. That might be done for a time, and if it were found to be successful it could be continued.

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Senator DE LARGIE.—Why not follow the example of Western Australia, and have State hotels, which have been proved to be a distinct success?

Senator DOBSON.—Control by the Government might be held to be almost the same thing, but I was going to suggest the adoption of Lord Grey's system, under which the Government license respectable men, who receive a fixed salary and a generous commission for everything they provide in the way of beds and meals, and everything except intoxicating liquors. Under Lord Grey's system the licensee might sell hogsheads of whisky and rivers of beer, but he would not get a farthing for it.

Senator DE LARGIE.—The State hotels in Western Australia are no longer experimental.

Senator DOBSON.—I am not very much in love with a State hotel, but I should be glad to have information on the subject, and to be guided by the experience of Western Australia. I think that the system advocated by Lord Grey, absolutely eliminating as it does all desire to sell drink, and encouraging the sale of everything else for which an hotel is provided, is an exceedingly good one. I wish to impress upon the Attorney-General that some use should be made of the very informative speech which we have heard from Senator Smith.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I join with other senators in expressing appreciation of Senator Smith's speech. We expected such a speech from the honorable senator, and we have not been disappointed. I may tell Senator Dobson that the people concerned in the administration of New Guinea regularly receive the exhilarating literature which is contained in the Federal *Hansard.*

Senator DOBSON.—I think that attention should be specially directed to Senator Smith's speech.

Senator Sir JOSIAH SYMON.—We shall take care to direct special attention to the honorable senator's remarks. Senator Dobson's references to the liquor question were addressed rather to matters of present administration in New Guinea, and the effects of existing ordinances, than to the effect of the Bill now before us. The Bill, I remind the honorable senator, is concerned with the system of government itself.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1—

This Act may be cited as the Papua Act 1904.

Senator Sir JOSIAH SYMON.—It will perhaps be found convenient if I intimate to honorable senators that I propose to go through the machinery clauses of the Bill at this stage, but I shall be prepared to postpone the consideration of clauses 20 and 21, which involve controversial matters, and also, if honorable senators should desire it, clause 24, about which some question has, I think, been raised by Senator Higgs.

Senator STANIFORTH SMITH (Western Australia).—I thought the Attorney-General intended to postpone the further consideration of this measure after the second reading had been dealt with. With respect to this clause, I should like to know what are the reasons for calling British New Guinea "Papua."

Senator Sir JOSIAH SYMON.—I explained that on the second reading.

Senator STANIFORTH SMITH.—The matter was certainly mentioned, but I think we have had no satisfactory explanation. The whole island is called "Papua" or "New Guinea." It seems to me that to call a quarter of the island "Papua" is analogous to the absurd proposition made by the late Sir Henry Parkes, that New South Wales should be called "Australia." I think the Attorney-General is mistaken in saying that the Dutch call their portion of the island "New Guinea." It will be found, on reference to Dutch official documents and publications, that the Dutch portion of the island is called "Netherlands New Guinea." We might just as well adopt the name "New Guinea" as the name "Papua." I do not know what virtue there is in the name "Papua."

Senator MULCAHY.—Is it not a native name?

Senator STANIFORTH SMITH.—It is not a native name; it is a Malay name, and it means "frizzled." When the Portuguese arrived in New Guinea they called the place Papua, because of the frizzled hair of the natives. It is, in my opinion, absurd to designate a fourth of the island by the name which the whole island has borne for hundreds of years. If we have the right to do that, we have an equal right to call our portion of the island "New Guinea," without any qualifying word.

Senator Sir JOSIAH SYMON.—Does the honorable senator really think it is worth while to make any alteration in the name?

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Senator STANIFORTH SMITH. — I think there is something in a name. I remind honorable senators that the three territories of Guiana in the north of South America are called respectively Dutch Guiana, English Guiana, and French Guiana. This territory will always be known as British New Guinea. The Germans have called their portion of the island Kaiser Wilhelms Land, but it will always be known as German New Guinea; and in just the same way the Dutch possession will always be called Dutch New Guinea. I think it would be far more reasonable if we were to call this territory Australian New Guinea. It has been called British New Guinea up to the present, but as it has now been transferred to the Commonwealth I think it is better that it should be called Australian New Guinea.

Senator MULCAHY.—What is the real native name for it?

Senator STANIFORTH SMITH.—The natives have names only for different districts. I hope that the Attorney-General will accept my suggestion. I am doubtful whether, if the name Papua is used in an Act, it will not be held to include the whole of the island of New Guinea. We might pass laws applying to Papua, and might find that they would be held to apply to German New Guinea and Dutch New Guinea.

Senator Sir JOSIAH SYMON (South Australia — Attorney-General). — I have listened to the exceedingly critical and ingenious arguments of my honorable friend.

Senator STANIFORTH SMITH.—Perhaps I am a little weak on the law point.

Senator Sir JOSIAH SYMON.—I think the honorable senator is. This is not a Bill affecting the whole of New Guinea, but is strictly limited to what is described as the Territory of Papua, which is delineated in the Bill. My honorable friend's apprehensions with regard to the application of laws for Papua, in a way which might be resented by the Dutch and the Germans, are not well founded.

Senator STANIFORTH SMITH. — Is not "frizzled" an undesirable name for the Territory?

Senator Sir JOSIAH SYMON.—It may be a weakness of mine, but I confess to a liking for euphony. Papua is an exceedingly euphonious word, which runs trippingly from the tongue. It has rather an Italian sound. I admit that I was previously quite unaware that it could be translated as frizzled. Senator Smith has shocked my poetic sense a little, but I shall endeavour to forget the word frizzled and remember the word Papua.

Senator DE LARGIE.—Has not the sound of Guinea any charm for the honorable and learned senator?

Senator Sir JOSIAH SYMON.—Yes, it has distinctly. If Senator Smith could be induced to drop the word Australian, and also the word British, the Committee might seriously consider the use of the word Guinea. My information does not correspond with that given by Senator Smith in regard to the name given to the Dutch portion of the island, which is rather more than one-third of the whole area, while the German portion is about one-third. In official documents connected with the Dutch portion of the island the name used is Nieuw Guinea. The Germans call their portion of the island Kaiser Wilhelms Land, but as the Dutch call theirs by the name of the whole island, we cannot be charged with an inordinate desire to grab if we appropriate the use of the word Papua for our Territory. I quite appreciate Senator Smith's patriotic sentiment in desiring that the Territory should be known as Australian New Guinea, but I think that would be too long a title.

Senator STANIFORTH SMITH (Western Australia).—I would ask the Attorney-General to allow this clause to be postponed. He stated when the Bill went into Committee that he would postpone any clause to which exception was taken. If it is not postponed, there will be considerable discussion, and a division must be taken. There is no reason to make an alteration in the name of the Possession. If we call the area Papua, it will merely be an official name which no person except the officials will ever use. This Bill merely confirms the transfer of the Possession to Australia; and as it has been called British New Guinea up to the present, the inference is that it ought to be called Australian New Guinea now that it is transferred to us as a portion of the Empire. Although the Germans have been in possession of their portion of the island for sixteen years, and have officially named it Kaiser Wilhelms Land, and although it is so named on certain maps, with the exception of the officials no one calls it by any other name than German New Guinea. It is an act of international discourtesy to appropriate to our portion of the island, a name which for

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centuries has belonged to the whole country. The Attorney-General has given no reason for the change, except that the name Papua has an euphonious sound, and is short. The shortness is no advantage because the name will never be used.

Senator McGregor.—It will be shorter still if we call it "Pap."

Senator STANIFORTH SMITH.—That is the stuff which the honorable senator gives us so often! It is objectionable to use a name officially, which will never be used in common speech, and in ordinary commercial life. Why not call it Australian New Guinea?

Senator Sir Josiah Symon.—So we can if we choose, in spite of the Bill.

Senator Matheson.—The children will learn to call it Papua at school.

Senator STANIFORTH SMITH.—I move—

That the word "Papua" be left out, with a view to insert in lieu thereof the words "Australian New Guinea."

Question—That the word proposed to be left out, be left out—put. The Committee divided.

Ayes	6
Noes	12
Majority	6

AYES.

de Largie, H.	Pearce, G. F.
Henderson, G.	
Higgs, W. G.	*Teller:*
Mulcahy, E.	Smith, M. S. C.

NOES.

Baker, Sir R. C.	Story, W. H.
Dawson, A.	Styles, J.
Drake, J. G.	Symon, Sir J. H.
Matheson, A. P.	Walker, J. T.
McGregor, G.	
Neild, J. C.	*Teller:*
Pulsford, E.	Turley, H.

Question so resolved in the negative.

Amendment negatived.

Clause agreed to.

Clauses 2 to 10 agreed to.

Clause 11—

The Lieutenant-Governor shall be appointed by the Governor-General by commission under the seal of the Commonwealth, and shall hold office during the pleasure of the Governor-General.

Senator STANIFORTH SMITH (Western Australia).—This clause practically provides for the appointment of the Lieutenant-Governor of the Possession for life, unless there be some reason for removing him. It is an unusual provision. Governors in other Possessions and Colonies are appointed for a fixed term, though they may be re-appointed. It is inadvisable to appoint the Lieutenant-Governor of a place with a climate like British New Guinea for life. The climate is very debilitating, and is apt to sap, to a very great extent, the vital energies of people who live in it. If the appointment be for life we may have a person who, owing to climatic influences, will become so lethargic and enervated that he will not display that initiative which is so vitally necessary in the government of a tropical Colony.

Senator McGregor.—There will be nothing to prevent a Lieutenant-Governor from resigning.

Senator Sir Josiah Symon.—Or from being removed the next day after his appointment.

Senator STANIFORTH SMITH.—A man appointed during the pleasure of the Governor-General is practically appointed for life, unless there be action on his part of so extraordinary a character as to necessitate his being asked to resign.

Senator Sir Josiah Symon.—The honorable senator is really thinking of an appointment made during good behaviour, which is quite a different matter. An appointment during pleasure merely means until the Governor-General signifies his pleasure to the contrary.

Senator STANIFORTH SMITH.—It would be an insult if a Lieutenant-Governor, after a certain period of office, were told that his services were no longer required. It is usual in all cases of the kind to fix a certain term, which, if the occupant of the office be a useful man, may be renewed. It would be most unusual to remove a Lieutenant-Governor appointed under such a provision. That is a point of importance, which I think the Committee ought to discuss, having regard to the fact that a long appointment might prove exceedingly dangerous in such a climate.

Senator DE LARGIE (Western Australia).—Governors of States, as well as the Governor-General of the Commonwealth, are appointed for fixed terms, and I see no reason to depart from that rule in the present case. It is a very serious matter to remove a Governor or any official who occupies a very high position. We know that rather than take such an extreme step many abuses are permitted to pass unnoticed. It is quite unnecessary to recall circumstances which have been recently before the Senate. If the gentleman in the

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case to which I refer had not been in such a high position I daresay his actions would have been challenged much oftener. When we knew that a representative of the King is appointed for life, as would practically be the case under this clause, it would be more difficult to offer criticism than if we knew that at the end of a certain period he would vacate the position. It would be better from all points of view to fix a period.

Senator WALKER (New South Wales). —There is no doubt a great deal of force in the remarks of the two previous speakers, and with a view to meet the difficulty I suggest to the Attorney-General that the clause should be amended so as to fix the term of office at five years. The climate of New Guinea is such that a Lieutenant-Governor might not care to continue to act for a longer period. I know of a Government official in New Guinea who leaves his family in Queensland on account of the climatic conditions which he has to face; and I am quite certain that it is not the intention of the present representative of the Government there to remain for longer than the period I have mentioned.

Senator STYLES (Victoria).—I am opposed to any limit being fixed to the term of office. If the Lieutenant-Governor be a good man, why remove him?

Senator Walker.—He may be re-appointed.

Senator STYLES.—Why should there be the necessity for a re-appointment if the Lieutenant-Governor is a good man for the position? If, on the other hand, the Lieutenant-Governor is not a good man, it may prove rather awkward to remove him in the absence of any specific charges. It might be desirable to remove him on general grounds—on grounds in relation to which specific charges sufficiently strong could not be formulated.

Senator Staniforth Smith.—But the clause, if amended as suggested, would provide for a period of five years and during the pleasure of the Governor-General.

Senator Sir JOSIAH SYMON.—No one can listen to the remarks which have been made in favour of the suggested amendment without appreciating the object in view. But Senator Smith's remarks are based on an entire misapprehension. The suggested amendment is, in my opinion—and I say this with the greatest respect—an absurdity. It has been contended that the clause means practically an appointment for life. It means nothing of the kind; indeed, the only criticism which could be directed against the clause is that the term may prove too short. The appointment provided for is the very best that could be made under the circumstances.

Senator de Largie.—The term could not be too short if it were probable that there would be a desire to remove a Lieutenant-Governor.

Senator Sir JOSIAH SYMON.—But the appointment is during the pleasure of the Governor-General.

Senator Lt.-Col. Neild.—That is better than a fixed term.

Senator Sir JOSIAH SYMON.—The suggested amendment would fix the term for five years, and, at the same time, make it terminable at a moment's notice. Such a proposal cannot be entertained for a moment. What Senator Smith has in his mind is an appointment during good behaviour; this is, during life. Our Judges are appointed on those terms; but those are the very opposite of the appointment now proposed, which may be made to-day, and, if the occupant of the position misconduct himself, cancelled to-morrow. If, on the other hand, as Senator Styles has suggested, the Lieutenant-Governor who is appointed, is ten or twelve years hence doing good work, and wishes to remain, why should he not continue to hold the office? There could not be a more elastic or constitutional method of appointment than that proposed in the clause. In a democracy like ours, we ought to keep control of the governing powers of a Dependency such as this. "Governor-General" means the "Governor-General in Council," and, as there is responsibility to Parliament, the real meaning is that the appointment shall be during the pleasure of Parliament. If a Lieutenant-Governor misconducts himself, why should he continue to officiate for five years? The amendment does not mean an appointment for five years only, but an appointment for that term, plus the pleasure of the Governor-General.

Senator Mulcahy.—The maximum is five years.

Senator Sir JOSIAH SYMON.—That is not so, because, according to the amendment, the Governor-General may extend the term.

Senator Mulcahy.—A Lieutenant-Governor may be re-appointed.

Senator Sir JOSIAH SYMON.—Then, where is the advantage of fixing a period of five years?

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Senator STANIFORTH SMITH.—There is a very great advantage; it is the system adopted in the appointment of the Governors of the Australian States.

Senator Sir JOSIAH SYMON.—Such appointments are very different from that which we are now discussing.

Senator STANIFORTH SMITH.—The appointments are analogous.

Senator Sir JOSIAH SYMON.—They are entirely different. Governors of Crown Colonies are appointed during pleasure.

Senator STANIFORTH SMITH.—Not in all cases.

Senator Sir JOSIAH SYMON.—Senator Drake has just called my attention to the fact that Governors of States are also appointed during pleasure, but that it is usual to name a period of six years from their assumption of duty.

Senator MULCAHY.—In those cases a maximum is fixed.

Senator Sir JOSIAH SYMON.—There is no maximum at all.

Senator MULCAHY.—Well, a term is fixed.

Senator Sir JOSIAH SYMON.—There is simply an understanding; and, of course, there will be an understanding in the case of New Guinea. Had the Imperial procedure been otherwise, I should have disregarded it, because, in my opinion, we ought to have control as direct and complete as possible, in the case of a Dependency like this.

Senator McGREGOR (South Australia).—I hope the clause will be allowed to pass as it stands. We have to consider, not only the rights of the Government of Australia, but also the rights and convenience of the individual who may be appointed to the position. The legislation on which we are engaged is of an experimental character, dealing with what may be called colonization, or government apart from the government of Australia itself. Is it not far better that the Lieutenant-Governor should be under the absolute control of the Government or Parliament of Australia? If we were to fix five years, or any other term, what would be our position, if at the end of twelve months, or so, we found that the Lieutenant-Governor was devoting more study to his own interests, or those of his friends, than to the interests of Australia?

Senator STANIFORTH SMITH.—There would be power under the suggested amendment to remove him.

Senator McGREGOR.—It is ridiculous to suppose that we can have both Government control and a fixed term. So long as a Lieutenant-Governor administers the Dependency in the interests of the people there, and of the people of the Commonwealth, no fault can be found.

Senator Sir JOSIAH SYMON.—No fault can be found, so long as the Lieutenant-Governor administers the Dependency to the satisfaction of the Parliament of the Commonwealth.

Senator McGREGOR.—And to the satisfaction of the residents of British New Guinea. So long as such a Lieutenant-Governor finds it convenient to remain, he is the best possible man for the position. If he desires to leave the Dependency, he will be at liberty to send in his resignation. We had far better accept the clause than endeavour to impose conditions which might hamper the administration of the Possession.

Senator PEARCE (Western Australia).—At first I felt inclined to support the suggested amendment, but it appears to me that the appoinment cannot be regarded as an equivalent to an ordinary appointment to the Civil Service in Australia.

Senator STANIFORTH SMITH.—It is practically equivalent.

Senator PEARCE.—There is a great deal of difference between the two classes of appointment.

Senator STANIFORTH SMITH.—It would be a great insult to a Lieutenant-Governor to be removed under this clause.

Senator PEARCE.—The Lieutenant-Governor appears to be a mixture of a civil servant, and a Governor of a Colony.

Senator McGREGOR.—And a King.

Senator PEARCE.—Yes; the official seems to be a sort of mixture of Governor and King. It does not appear to me to follow from the clause that this appointment is for life.

Senator Lt.-Col. NEILD.—If it were for life, the period would not be long in New Guinea.

Senator PEARCE.—Some missionaries have lived there for thirty years, and are still hale and hearty. I do not think that the acceptance of the clause will be attended with any danger, since the Lieutenant-Governor will not be a Governor over the Parliament, but its creature.

Senator STANIFORTH SMITH (Western Australia).—The Attorney-General led us to infer from his remarks that we should

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lose control if such an alteration as that suggested were made in the clause. That is the very antithesis of what its effect would be. If the Lieutenant-Governor were appointed to hold office during the pleasure of the Governor-General, it would be an appointment for life, unless he gave dissatisfaction. In that climate, it would be impossible for a Lieutenant-Governor to maintain his energy and power of initiative for a long term. But although a man's health had become somewhat debilitated, and we needed a man who could be the eyes and ears of the Possession, we could not dispense with his services without offering an insult to him, because he would hold office during the pleasure of the Governor-General. If it be provided that the Lieutenant-Governor shall hold office for a term of four or five years, or during the pleasure of the Governor-General, and he gave dissatisfaction, he could be removed, but if he gave satisfaction, his appointment could be renewed for another period of five years. If he be appointed practically for life, unless he gave dissatisfaction to the Government and Parliament, it would be an insult to him to dispense with his services, simply because dissatisfaction had been given to some persons, not through his fault, but merely through loss of energy and vitality.

Senator TURLEY.—For what term is the Governor-General appointed?

Senator STANIFORTH SMITH.—The Governor-General, like every State Governor, is appointed for a certain term.

Senator Sir JOSIAH SYMON.—No; all Governors are appointed during His Majesty's pleasure, but there is an understanding as to the term for which they are appointed.

Senator STANIFORTH SMITH.—Every State Governor comes out for a certain term. We should be able to maintain a far better control of the Lieutenant-Governor if we were in a position to say to him "Your term of appointment will be for five years, but if you give satisfaction it can be renewed." Would he not be more likely to use his best endeavours to give satisfaction when there was a prospect of being reappointed to the position? When a civil servant is sent to a tropical part it is generally stipulated in a regulation that the appointment is for so many years.

Senator PEARCE.—That is not done with the Government Resident at Port Darwin.

Senator STANIFORTH SMITH.—No, and it is a very great mistake that it is not done. In a Crown Colony, too, the Governor is appointed for a term. In one case we should have to consider every five years whether the appointment should be renewed; but in the other case we should have to dismiss the occupant of the office at some time during his career, if it were found that he had not sufficient energy to carry out his duties properly. Is it better to dismiss him or at the end of five years to appoint somebody else?

Senator STYLES (Victoria).—It would be a one-sided bargain to appoint the Lieutenant-Governor for a term, because he could resign at any time, and if his services were dispensed with, he could appeal to either House of the Parliament for a Select Committee to inquire into the cause of his dismissal. If the Lieutenant-Governor were appointed during the Governor-General's pleasure, and it were thought desirable to dispense with his services at any time, that course could be taken, and the occupant of the office would understand that the Commonwealth Government were not compelled to give a reason for their action, when the matter would end. If, however, the Lieutenant-Governor were appointed for five years, and his services were dispensed with, he would naturally say, "Why do you dispense with my services before my term of office has expired? I am dissatisfied with your decision, and I shall appeal to the Parliament for redress." If the appointment were made for a fixed term, the Lieutenant-Governor could resign at any time, but he could not be got rid of easily at any time. I think that the clause as it stands covers the whole ground. Why should any term be fixed for this appointment? I understand that any civil servant can be dispensed with at any time. The Lieutenant-Governor is in substance a civil servant, and why should he not be dealt with in exactly the same way as the head of a Commonwealth Department? I shall vote for the clause as it stands.

Senator Sir JOSIAH SYMON.—It would be a pity to allow two or three remarks which Senator Smith has made to go forth as if they had the assent of honorable senators. One is his reiteration of the statement that this clause involves an appointment for life. It is the exact opposite. It is an appointment for the shortest term for which

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a man gives good service, and no more. I wish to correct another error, so that we shall not be accused of not knowing our own Constitution. My honorable friend, in his zeal for this alteration, which I am sure, on consideration, he will think is unnecessary, stated that the Governor-General is appointed for a term, and that therefore the Lieutenant-Governor of this Possession ought to be appointed for a term. The provision in our Constitution is exactly the same as this clause.

Senator STANIFORTH SMITH.—Was not Sir William Macgregor appointed for a term of five years, and was not his appointment renewed for another term of five years?

Senator Sir JOSIAH SYMON.—I have said over and over again that a Governor is appointed during His Majesty's pleasure, but there is an understanding that so long as he is not debilitated by the climate he will not be interfered with, and will be allowed to occupy the office for so many years. It will be perfectly competent for the Governor-General to institute a rule of that kind, so that a Lieutenant-Governor could make his arrangements and establish his house for three years, or whatever term might be adopted. This is a Constitution we are framing for the Possession.

Senator STANIFORTH SMITH.—And it is very necessary to fix the term of the appointment.

Senator Sir JOSIAH SYMON. — My honorable friend has forgotten the Constitution under which we sit here when he declares that the Governor-General is appointed for a term. The constitutional power in our Constitution is in substance, and almost in language, the same as that in this clause. In fact, the essence of the provision in this Bill is really taken from our Constitution to some extent. Section 2 reads—

> A Governor-General appointed by the Queen shall be Her Majesty's representative in the Commonwealth, and shall have and may exercise in the Commonwealth during the Queen's pleasure, but subject to this Constitution, such powers and functions of the Queen as Her Majesty may be pleased to assign to him.

Consistently with that provision, of course, there may be an understanding as to the term of the appointment. The constitutional power is exactly the same to the Governor-General as it will be in regard to the Lieutenant-Governor of Papua. They will both be appointed during the pleasure of the Crown.

Clause agreed to.

Clauses 12 and 13 agreed to.

Clause 14 (Power to authorize Lieutenant-Governor to appoint deputies).

Senator DOBSON (Tasmania).—Will it not be sufficient if authority be given to appoint the senior magistrate, or a magistrate in the district, to exercise the functions of Lieutenant-Governor? The magistrates would be the best persons to perform the duty. The clause leaves the Lieutenant-Governor absolutely free. I do not know that there is any advantage in that, and it seems to me that it would be better to appoint the magistrates to carry out these functions.

Senator Sir JOSIAH SYMON.—The honorable and learned senator has answered his own criticism by showing that it is very desirable that this provision should be elastic. The officer appointed Lieutenant-Governor of a Dependency such as this can surely be trusted to appoint his own deputies. I think it would be undesirable to create by statute a magistrate a Deputy Governor.

Clause agreed to.

Clauses 15 and 16 agreed to.

Clause 17 (Appointment of officers).

Senator STYLES (Victoria).—Under this clause the necessary officers of the Territory are to be appointed by the Lieutenant-Governor in the name of the Governor-General, but it is also provided that every such appointment shall be temporary until approved by the Governor-General. Are we to understand that after approval by the Governor-General the officer appointed will be a permanent officer.

Senator Sir JOSIAH SYMON.—No; only during pleasure. The honorable senator will find those words used in the clause.

Senator GUTHRIE.—Will they come under the Commonwealth Public Service Act?

Senator Sir JOSIAH SYMON.—No. It is expressly provided in an earlier clause that the Commonwealth law shall apply to the Territory only where that is specially directed.

Clause agreed to.

Clause 18 agreed to.

Clause 19 (Transfer of officers to Public Service of the Commonwealth).

Senator WALKER (New South Wales). —I wish to ask the Attorney-General whether, after his term of office has expired, a Lieutenant-Governor will be eligible for transfer to the Public Service of the Commonwealth.

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Senator Sir JOSIAH SYMON.—I think not; the Lieutenant-Governor is not a public servant, within the ordinary meaning of that term.

Senator DE LARGIE (Western Australia).—It appears to me that under this clause there is provision made for dual control by the Executive, and by the Public Service Commissioner. I do not think that such a system will be found to work harmoniously.

Senator Sir JOSIAH SYMON.—The honorable senator will see, on reference to the clause that the matter dealt with is not left in the hands of the Public Service Commissioner, except to the extent that he makes a recommendation and gives a certificate, and the decision is left to the Governor-General. Action under the clause will really be taken by the Governor-General in Council—the Executive of the day—under the control of Parliament.

Senator DOBSON (Tasmania).—I should like to ask if the converse of this clause will apply? The clause provides for the transfer of officers in the service of the Territory to the Public Service of the Commonwealth. Will it be possible under this clause to transfer an officer from the Commonwealth Public Service to that of the Territory? If such a thing were proposed would the officer be in a position to say, "No; my engagement is to serve in the Commonwealth, and I shall not go outside of it."

Senator Sir JOSIAH SYMON. — The converse which the honorable and learned senator suggests cannot apply because the Commonwealth Public Service Act does not apply to New Guinea.

Clause agreed to.

Motion (by Senator Sir JOSIAH SYMON) proposed—

That clauses 20 and 21 be postponed.

Senator PEARCE (Western Australia).—I wish to notify the Committee that when the consideration of clause 21 is resumed, I shall move an amendment to provide, in the first instance, for the taking of a poll of the white inhabitants of the Territory, and, in the second place, in the event of its being decided, as a result of the poll, that liquor shall be allowed to be imported, it shall be imported only by the Lieutenant-Governor, or officials authorized by him, and under his direct control. That is to say, I propose to provide, in the first place, for a local option of the white population, and in the second place, for the sale of liquor by Government officers only. I have placed my amendments in the hands of the printer, and will move them when the consideration of the clause is resumed.

Motion agreed to; clauses postponed.

Clause 22 (Prohibition against supply of intoxicants or opium to natives).

Senator WALKER (New South Wales).—I should like to understand whether, in the event of a doctor thinking it necessary that a native should have some stimulant, he would be prohibited under this clause from giving it? It seems to me monstrous that, in such circumstances, a doctor should not be able to give a man a stimulant merely because he is a black-fellow. I know that one of the missionaries has mentioned the fact that they have often found it very useful to be able to give intoxicating liquors to natives as stimulants.

Senator STANIFORTH SMITH.—Clause 21 deals with the prohibition of liquor "except for medicinal purposes," and this clause deals with prohibition except under the provisions of the Bill, and will, therefore, cover what the honorable senator suggests.

Senator PEARCE.—In the event of clause 21 being struck out, it will be necessary to alter this clause.

Senator Sir JOSIAH SYMON.—I shall give an opportunity for the reconsideration of this clause if that should be found necessary.

Clause agreed to.

Clause 23 agreed to.

Clause 24 postponed.

Clauses 25 to 30 agreed to.

Clause 31 postponed.

Clause 32 agreed to.

Clause 33 (Seniority of members of Legislative Council).

Senator PEARCE (Western Australia).—I should like some explanation from the Attorney-General as to what is meant by seniority, as used in this clause? I should like to know whether it refers to the date of retirement, in the same way as it might be used to refer to honorable senators who retire at different periods, or whether it affects their standing in any other regard?

Senator Sir JOSIAH SYMON.—I am obliged to the honorable member for asking the question. I should have dealt with it in submitting clauses which have been postponed. The clause will not affect the date of retirement in any way. It does not deal with tenure.

Senator GUTHRIE.—The Lieutenant-Governor gives the seniority.

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Senator Sir JOSIAH SYMON. — Seniority has nothing to do with the tenure of office.

Clause agreed to.

Clauses 34 to 38 agreed to.

Clause 39—

The Legislative Council shall not by any ordinance impose higher duties upon the importation into the Territory of any goods produced or manufactured in or imported from Australia than are imposed on the importation into the Territory of the like goods produced or manufactured in or imported from other countries.

Senator MATHESON (Western Australia).—Surely this is a most extraordinary clause, considering that one object for which Australia federated was that commerce between States should be free. We have accepted this Territory under section 122 of the Constitution, and it is now under our jurisdiction. It is illogical to enable the Government of the Territory to impose a Tariff against our products, when the object of Federation was to establish free-trade between all parts of the Commonwealth. This Territory is equally a part of the Commonwealth.

Senator Sir JOSIAH SYMON.—It is not equally a part of the Commonwealth. It has no representation in this Parliament.

Senator MATHESON.—It is extraordinary that we should own a Territory, and should allow it to impose duties against us.

Senator PEARCE.—We impose duties against it.

Senator MATHESON.—I think this is a great constitutional question, and in order to test it, I move—

That the word "higher," line 2, be left out, with a view to insert in lieu thereof the word "any."

Senator Sir JOSIAH SYMON.—My high respect for Senator Matheson induces me to say a word on this point. How is New Guinea to get any revenue, unless the Government is allowed to impose Customs taxation? Is it suggested that there shall be an income tax or a land tax in Papua, or is there to be a tax on the Sunday clothes of the natives? There can be no Customs revenue if we prevent the Government from levying duties against the only country from which there are likely to be any imports. My honorable friend is mistaken in his view that the constitutional provision for Inter-State free-trade has anything to do with a Possession or a Dependency. Certainly Inter-State free-trade was one object of union; but it has no application to a Territory acquired by the Commonwealth. Neither the section of the Constitution nor its intention covers this Possession.

Senator DOBSON.—Apart from the question of revenue, might not the section very well apply to the Possession?

Senator Sir JOSIAH SYMON.—That is a high question of policy, and when we come to revise our Constitution, we may say that free-trade shall prevail between it and the Commonwealth, as well as between States.

The Parliament of man, the federation of the world,

is a great ideal, and I hope that it will soon be realized. But in the meantime, we must not prevent the Territory from raising revenue.

Senator PEARCE (Western Australia).—The Attorney-General has not much chance of realizing that grand ideal to which he has referred, while he keeps his present political company. This clause does not impose a Tariff in Papua; but it gives the Papuan Government power to impose a Tariff if they so desire. We have imposed a Tariff which operates against the Possession.

Senator MATHESON.—That was absolutely disgraceful, and I voted against it.

Senator PEARCE.—If we desire to set the Papuan people a good example, we should start by amending our own Customs Tariff. But as in fact we have imposed a Tariff against them, we should give them power to retaliate against us to a certain extent. That is what this clause does.

Senator DE LARGIE (Western Australia).—I dissent from Senator Pearce and Senator Matheson as to their views on this clause, though I shall not vote against it. We are giving the Possession home rule within certain limits. We give it the right to make laws; but at the same time, we take from it a right which we ourselves would not permit the Home Government to take from us—that is to say, the power to frame its own Customs Tariff in accordance with the fiscal principles of its people. In Australia we can impose any Tariff we like, even against the Home Government; but we are preventing a portion of the British Empire from doing the same thing against us. Instead of limiting the Papuan Government in this way, I am inclined to think that we ought to give them full power to fix whatever Tariff they please to suit their own requirements. If the clause

provided that, it would be far more in conformity with common sense than it is now.

Senator MATHESON (Western Australia).—In view of what Senator Pearce has pointed out, namely, that this clause gives the Papuan Government the right to retaliate against the Commonwealth, and in the hope that they will exercise this power to such an extent that we shall be forced to abrogate existing duties against their products, I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Clause agreed to.

Clause 40 agreed to.

Clause 41—

Within six months from the Lieutenant-Governor's assent to any ordinance the Governor-General may disallow the ordinance, and the disallowance, on being published by the Lieutenant-Governor within the Territory, shall annul the ordinance from the date of such publication.

Senator MATHESON (Western Australia).—Under section 59 of the Constitution the King has power during one year to disallow any law of the Commonwealth; and upon notice the Governor-General is instructed to proclaim the disallowance. Under this clause we give the Governor-General six months within which to disallow an ordinance. I take it that an ordinance is practically the same as a law to all intents and purposes; as on reference to clause 38 of the Bill, we find almost the same terms used in respect to ordinances as are used in section 52 of the Constitution with respect to Federal laws. I suggest that the proper plan would be to make the term twelve months, so that it may be equivalent to the term allowed under the Constitution.

Senator Sir JOSIAH SYMON.—Why?

Senator MATHESON.—For this reason: The Governor-General has only six months in which to disallow an ordinance, but the King has a year in which to disallow a Commonwealth law. An ordinance of the New Guinea Legislative Council would become a law in six months in the absence of the Governor-General's disallowance. But, in the course of another six months, owing to some action taken at home, the King can disallow the action of the inferior body.

Senator Sir JOSIAH SYMON.—He cannot do anything of the kind—the King has nothing to do with Papua.

Senator MATHESON.—It is a most extraordinary proposition that the Government of the Possession can do what the Parliament of the Commonwealth cannot do. The Government of Papua can pass a law which the King might object to, but would have no power to disallow.

Senator Sir JOSIAH SYMON.—The King has nothing to do with it. The Imperial Parliament and the Crown have given to us this Dependency to govern, and we have the right to say whether a law shall be allowed or not.

Senator MATHESON.—It is a most extraordinary thing that the highest power in the Empire has no right to use the veto with regard to a law of a Dependency.

Senator Sir JOSIAH SYMON.—The King has a right to delegate his power, which in this instance has been handed over to us.

Senator MATHESON. — But, all the same, in the Constitution the King reserves the power to disallow within twelve months any Act of the Commonwealth Parliament.

Senator Sir JOSIAH SYMON.—But not to disallow a New Guinea ordinance.

Senator MATHESON.—So long as attention has been called to the matter, and the Attorney-General's opinion has gone into *Hansard*, I am satisfied; but the position certainly appears to me to be ridiculous.

Clause agreed to.

Clause 42 agreed to.

Clause 43 (Assent to certain ordinances).

Senator PEARCE (Western Australia).—This clause provides that the Lieutenant-Governor shall not assent to any ordinance relating to certain matters which are set out, unless the ordinance contains a clause suspending its operation until the signification of the Governor-General's pleasure. Amongst the ordinances mentioned is one for proceedings in divorce, but no reference is made to any ordinance for marriage. I presume that the Legislative Council will be able to pass an ordinance relating to marriage; but it would appear, from this clause, that we propose to allow the Council to exercise one power and not the other. Unless the object be to permit ordinances for the regulation of native marriages, the position seems rather inconsistent.

Senator MULCAHY.—Surely the Legislative Council will not interfere with tribal laws?

Senator PEARCE.—I should think that the Council would not be permitted to interfere in that way.

Senator MULCAHY. — But divorce is a somewhat different matter.

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Senator PEARCE. — Apparently the Legislative Council are to be permitted to make an ordinance relating to divorce amongst white people. Why should not the Commonwealth law be adopted?

Senator TURLEY. — But the Governor-General must assent to any ordinance which is made.

Senator Sir JOSIAH SYMON.—I am obliged to Senator Pearce for calling attention to the matter. This clause does not take away from the Lieutenant-Governor the power to withhold consent, or to reserve for the Governor-General's pleasure, as exercised in the case of other measures with respect to laws relating to marriage. The object of the clause is simply to prohibit the Lieutenant-Governor from assenting to this particular set of laws. It would be a serious matter to leave divorce to the discretion of the Administrator. There will be the fullest power to legislate, but all ordinances dealing with the matters referred to in this clause must be suspended until the pleasure of the Governor-General is signified.

Senator PEARCE. — Does the Attorney-General not think that marriage is of equal importance with divorce?

Senator Sir JOSIAH SYMON.— I shall consider the point which has been raised. At present, however, I think the ground is sufficiently covered by the powers given by clause 40. I should like to consider why all such matters are not left entirely to the operation of that clause, and if I find that there is any further explanation, I shall inform the honorable senator when we deal with the postponed clauses.

Clause agreed to.

Clauses 44 to 47 agreed to.

Clause 48 (Public revenues and moneys).

Senator PEARCE.—Should not the accounts of the Territory be subject to inspection by the Auditor-General of the Commonwealth? So far as I can see, the clause simply provides that the audit shall be under the control of the Lieutenant-Governor; but, as the Commonwealth is liable for any deficit, I think the accounts ought to be subject to the Auditor-General. The clause seems to contemplate some other method than that ordinarily adopted.

Senator Sir JOSIAH SYMON.—That is so. According to clause 7, the Commonwealth laws have no application to British New Guinea, unless so specially directed, and the Auditor-General of the Commonwealth, of course, has no jurisdiction over the accounts of the Dependency. Just as the Governor-General appoints an Auditor-General under the Audit Act, so the Lieutenant-Governor will make provision, under the regulation drawn up by the Governor-General, in respect of an audit. As I said before, "Governor-General" means "The Governor-General in Council," and the latter, as we all know, literally means the Parliament, which will have the control of an effective system of audit.

Senator PEARCE (Western Australia). —I would impress on the Government the necessity for bringing these accounts under the control of the Auditor-General, even if it be only by means of a delegated authority. It would be easy for the Auditor-General to depute an officer to visit New Guinea periodically in order to inspect and audit the accounts. That would be better than leaving the matter in the hands of the Lieutenant-Governor.

Senator Sir JOSIAH SYMON.—The suggestion made is very valuable, and I shall make a note of the point. It is the Governor-General, and not the Lieutenant-Governor, who will have the control of matters relating to the audit. Whether it will be possible to carry out the suggestion made I do not know, but, at any rate, it is a matter for consideration whether the Auditor-General, in the final resort, should not have some control.

Clause agreed to.

Clause 49 agreed to.

Clause 50. (Appropriation for infirm or destitute aboriginal natives).

Senator MULCAHY (Tasmania).—This clause seems to depend on what may be done with postponed clause 20. We have not yet decided whether land shall be leased or the fee-simple granted. As the 10 per cent. reserved for the purposes of this clause depends on the proceeds from Crown leases, it would be as well to postpone the consideration of this clause.

Senator Sir JOSIAH SYMON.—If it happens that one clause is affected by the other, I undertake to consent to the reconsideration of the clause.

Clause agreed to.

Clause 51 agreed to.

Clause 52 (Grant from the Consolidated Revenue Fund).

Senator WALKER (New South Wales). —I suggest that this clause ought to be postponed. If we determine that there shall be no importation of alcoholic liquors, the revenue will be affected to the extent

of £3,000 or £4,000 per annum, and we may find it necessary to suggest to the other House that the grant be increased.

Senator Sir JOSIAH SYMON.—I undertake to have this clause reconsidered, if that course should become necessary, although that would be of little use, as we cannot increase the amount. It would, moreover, be very difficult, I think, to persuade Parliament to increase the grant of £20,000, whatever may happen to the prohibition clause.

Senator STANIFORTH SMITH (Western Australia).—If the prohibition clause be retained, it will mean a loss of probably £3,000 per annum in revenue, which New Guinea is not in a position to bear. Officials, who are now underpaid, would have their salaries further reduced, or be dismissed. As I pointed out when referring to the *Merrie England*, I do not see how the expenditure on New Guinea can possibly be reduced. Some of the assistant magistrates, who have most onerous duties—who have to live in places where they do not see a white man for months—are actually paid £200 a year, with no extras. That is a scandalous salary; and if the prohibition clause be retained, and the grant is not increased, some of those poor fellows, who have worked so well and faithfully, will have to take still less remuneration.

Senator DOBSON.—But could the *Merrie England* be got rid of, and £7,000 per annum saved?

Senator STANIFORTH SMITH.—I think so. There are several small schooners which could be used, instead of the *Merrie England*, and a good deal of the work could be done by the subsidized mail-ships. I ask the Attorney-General whether he will allow this clause to be recommitted?

Senator Sir JOSIAH SYMON.—With the intention of increasing the amount?

Senator STANIFORTH SMITH.—Yes.

Senator Sir JOSIAH SYMON.—We cannot suggest an increase. We can only suggest a reduction in the amount, or its omission.

Senator STANIFORTH SMITH.—We can suggest that the words "twenty thousand" be omitted, with a view to add other words.

Senator Sir JOSIAH SYMON.—My honorable friends will understand that I quite appreciate what has been said, and, as I intimated to Senator Walker, when we are dealing with other clauses, we can re-discuss this point. It would have no effect as far as the Senate or the Parliament is concerned, because we cannot request an increase in the amount. We can only request a reduction in the amount; we cannot increase the burdens on the people.

Clause agreed to.

Schedule agreed to.

Progress reported.

SPECIAL ADJOURNMENT.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I move—

That the Senate, at its rising, adjourn until Wednesday next.

There is a general feeling, I think, that we have got through the work very well this week, and that it will not be necessary to sit on Tuesday.

Senator DE LARGIE (Western Australia).—We really ought to make an effort to bring our work to a close. We all know that we are approaching the end of the session. I suppose there is an understanding that it shall end at some time or other. We are within a few weeks of Christmas, and a number of very important measures have not yet been finally dealt with. We have on the notice-paper business with which we could proceed on Tuesday; indeed, we have sufficient business to occupy our attention on both Tuesday and Wednesday.

Senator STANIFORTH SMITH.—I do not think that the Conciliation and Arbitration Bill will be returned by Wednesday.

Senator DE LARGIE.—The Defence Bill has to be considered in Committee. The second reading of the Transcontinental Railway Survey Bill has not yet been moved. The Appropriation Bill has yet to be dealt with. Any amendments which the other House may make in the Trade Marks Bill and the Sea Carriage of Goods Bill will have to be considered. If we intend to give reasonable consideration to those measures, it is necessary to meet on Tuesday next. No doubt the old excuse will be repeated, that we should consider the convenience of the representatives of South Australia and New South Wales. From time to time we have been asked to consider their convenience. We have been very considerate indeed, because this session we have not yet met on a Tuesday, although the other House has met regularly on that day. Many honorable senators on this side have refrained from speaking at great length this week in order to hasten the

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transaction of business; but, after all, we have not made such great progress as we anticipated. Seeing that there is so much business on the notice-paper, I hope that the Attorney-General will recognise the propriety of asking the Senate to meet on Tuesday.

Senator PEARCE (Western Australia).—The complaint has often been made that the Senate is not treated with due respect in regard to financial matters, but what is going to happen this session? During the last few days of the session the Appropriation Bill will be brought down. If we were to sit on Tuesday next it would enable us to clear the notice-paper before that measure was received. Otherwise we shall have two or three very important measures under consideration when it is brought in, and the Government will say, "If you want those Bills passed you must rush the Estimates through the Senate." I, in common with other representatives of Western Australia, have been in Melbourne all this year, and we wish to get back to our own State by Christmas.

Senator McGREGOR. — The honorable senator has not been here a day more than any of us.

Senator PEARCE.—Yes; I have been here every week-end, when my honorable friend has been in his own State.

Senator McGREGOR.—I have been here every day the Senate has met.

Senator PEARCE.—The honorable senator can go to his State at the week-end, but I can only go to my State at the year-end. If the business of the session be not transacted within two weeks, I shall not be able to get home before Christmas.

Senator DOBSON.—We are bound to finish our work the week after next.

Senator PEARCE.—We are bound to finish our work, but we can only do so on the condition that we give up our right to criticise the Estimates of expenditure. Three very important Bills have reached a stage here at which a large amount of discussion must take place. There will be considerable discussion on the Defence Bill in Committee, because I understand that Senator Matheson intends to move important amendments. We have four important principles to debate in the Papua Bill, and the discussion will occupy more than one day. The second reading of the Kalgoorlie to Port Augusta Railway Survey Bill has not yet been moved.

Senator WALKER.—That ought to go through in half-an-hour.

Senator PEARCE.—The eloquent Attorney-General can put in a very useful half-hour on that Bill, I am sure.

Senator Sir JOSIAH SYMON.—I think that less than that will do to convince my honorable friends.

Senator PEARCE.—It ought, I am sure. The consideration of those three Bills will occupy more than Wednesday and Thursday, and on Friday we ought to receive the Conciliation and Arbitration Bill from the other House. In that case we shall have only three days in the following week to deal with that measure, the Appropriation Bill, and perhaps any alteration of our amendments in the Defence Bill and the Papua Bill. How will it be possible in that time to deal with those measures? It will be absolutely impossible. I do not like to interfere with the arrangements of the Government. In this matter we ought to receive some consideration, and unless the Attorney-General can give us an assurance that he will substitute Tuesday for Wednesday I shall vote against the motion. I ask the Senate to reject the motion, because I think it is time that it claimed an effective voice in regard to the Estimates, and protested against their submission during the last three days of the session. I admit that the Government are not altogether to blame for the position which has arisen. At the same time, we should be in a position to deal fully with the Estimates when they are submitted to us. I remind honorable senators that the Estimates have been before the other House for over a month, and yet, when they are brought up to the Senate, it is expected that they will be passed in three days. This is nothing new, because the same kind of thing has been tried on every session. I look upon it is an attempt to belittle the importance of the Senate in dealing with financial matters. I ask the Attorney-General to withdraw his motion, and let us meet on Tuesday. No one will attempt to take advantage of the absence of honorable senators who cannot be here, because pairs can be given them. We have time and again given certain honorable senators an opportunity to visit their States at the week end, and it is not unreasonable that we should now ask them to have some consideration for honorable senators from Western Australia, in order that they may be able to get back to their States for Christmas holidays.

Senator HIGGS (Queensland). — I am afraid that the difficulty is that some honorable senators, noticing the progress which

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the Senate has recently made with its business, have already left for other States, in the belief that the Senate will adjourn until Wednesday next. The Estimates and the Appropriation Bill have been hung up in another place, as honorable senators are no doubt aware, awaiting developments in connexion with the Conciliation and Arbitration Bill.

Senator Sir JOSIAH SYMON.—For good reason.

Senator HIGGS.—That Bill may not be considered by the House of Representatives for some time, and judging by the progress which the Senate has recently made, we shall be able to deal with the measures now before us in a very short time.

Senator PEARCE.—What time shall we have for the consideration of the Estimates?

Senator HIGGS.—We shall, unfortunately, have too little time to consider the Estimates. We have been very badly treated in connexion with financial measures. The Estimates, as has been the case since the Senate first met, will again be rushed through in this Chamber, because of the desire which honorable senators have to get away, and it is probable that, as in previous sessions, some honorable senators will have to leave before they are finally dealt with.

Senator WALKER (New South Wales).—Senator de Largie seemed to hint that, as usual, honorable senators from New South Wales are to blame in this matter. I can assure the honorable senator that other New South Wales representatives and I would be willing to attend on Tuesday, but I shall not vote against the motion, as I believe the matter is one which should be left in the hands of the leader of the Senate. Many honorable senators from New South Wales, at great inconvenience, make a point of being present in the Senate regularly, and it will be admitted that I am myself one of those who attend most regularly in this Chamber.

Senator O'KEEFE (Tasmania).—I am as anxious as any honorable senator can be that we should sit on Tuesday. I can appreciate the desire of honorable senators from distant States to have the business of the Senate finished before Christmas, but if we meet on Tuesday, I do not know that we shall have any business to do.

Senator PEARCE.—We shall have three Bills in Committee, and the second reading of a fourth.

Senator O'KEEFE.—If that difficulty is got over, another remains, because at least three honorable senators from one State have just left, to return to that State under the impression that the Senate will not sit on Tuesday, and it is impossible for them to be back here before Wednesday. If there is business to be done, I think it is a pity that the Attorney-General did not previously decide to ask the Senate to sit on Tuesday, because, on the honorable senator's motion, we have already decided to do that if the state of business should necessitate it. In the circumstances, however, I do not feel disposed to vote against the motion to adjourn until Wednesday.

Senator Sir JOSIAH SYMON.—This matter is entirely in the hands of the Senate. My sole desire is to consult the convenience of honorable senators whilst giving the fullest opportunity for the transaction of public business. As has been pointed out, a number of honorable senators have gone away under the impression that the Senate would adjourn until Wednesday next. They have noticed the progress which we have recently made, and they believe, as I believe myself, that there is not likely to be any amendment moved on the Defence Bill which is likely to take up much time in discussion. Some honorable senators who have gone away, and who cannot be here until Wednesday, wish not only to record their votes on the postponed clauses of the Papua Bill, but also to debate those clauses. I am as anxious as any honorable senator can be to have our business brought to a close as soon as possible, but I shall take care, so far as I am concerned, that a satisfactory opportunity shall be given to discuss the Estimates when they come before us. I direct the attention of honorable senators to the fact that although the discussion of the Estimates last session took place in October, it occupied only a portion of three days, and there was no suggestion that sufficient time was not given.

Senator PEARCE.—For the reason that every one desired to get away for the elections.

Senator Sir JOSIAH SYMON.—That must always be the result under existing arrangements—which I hope we may have an opportunity to reconsider—when the Estimates do not come before us until the close of the session. I know that when I sat on the other side, it is probable that I did not offer the same criticism upon the Estimates as I should have done if they

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had been submitted to us at an earlier period of the session. I can assure honorable senators that I shall give ample opportunity for the discussion of the Estimates this session. Personally, I apprehend that we shall find no difficulty in getting through our business. We are now in the position that a number of honorable senators have gone away in the belief that we would not sit on Tuesday.

Senator MATHESON.—How did the idea get about that we would not sit on Tuesday?

Senator Sir JOSIAH SYMON.—I am most anxious to do everything I can to facilitate honorable senators, and to begin with, if I have the co-operation of my honorable friends opposite, I shall propose to sit on Thursday morning.

Senator DE LARGIE.—Some of us are members of Commissions and Committees, which have arranged to sit on that day.

Senator Sir JOSIAH SYMON.—I will do what I can in regard to pairs.

Question put. The Senate divided.

Ayes	11
Noes	8
Majority	3

AYES.

Baker, Sir R. C.	Neild, J. C.
Dobson, H.	O'Keefe, D. J.
Drake, J. G.	Symon, Sir J. H.
Higgs, W. G.	Walker, J. T.
McGregor, G.	*Teller*:
Mulcahy, E.	Pulsford, E.

NOES.

Croft, J. W.	Story, W. H.
de Largie, H.	Turley, H.
Henderson, G.	
Matheson, A. P.	*Teller*:
Smith, M. S. C.	Pearce, G. F.

Question so resolved in the affirmative.

DIVISIONS.

The PRESIDENT.—I wish to direct attention to standing order 169, which says—

When a division has been called for, senators shall take seats on the side of the Senate on which they intend to vote, and shall not move therefrom after tellers have been appointed until the result of the division has been declared.

The standing order, I admit, has not been strictly observed heretofore, but I call attention to it in order to intimate that it ought to be observed in future.

ADJOURNMENT.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General). — In moving—

That the Senate do now adjourn,

I wish to repeat what I said just now, that I shall be very glad if my honorable friends are in a position to assist me to sit on Thursday morning, in order that we may dispose of business.

Question resolved in the affirmative.

Senate adjourned at 3.57 p.m.

House of Representatives.

Friday, 2 December, 1904.

Mr. SPEAKER took the chair at 10.30 a.m., and read prayers.

ADJOURNMENT (*Formal*).

COMMONWEALTH COINAGE.

Mr. G. B. EDWARDS (South Sydney).—I desire to move the adjournment of the House, to discuss a definite matter of urgent public importance, viz., "The proposed arrangement for silver coinage."

Five honorable members having risen in their places,

Question proposed.

Mr. G. B. EDWARDS.—Last week the notice appeared in the press that Ministers had made an arrangement with the Imperial authorities for the coinage of silver for the Commonwealth, in return for which the Commonwealth would undertake to restore all the worn gold coined by the Australian mints. The honorable member for Herbert anticipated me by asking the Prime Minister whether this statement expressed precisely the terms of the arrangement, and if he could impart other information to the House with respect to the question generally. The Prime Minister, I believe, does not pretend to thoroughly understand the details of this matter, and in the absence of the Treasurer, which we must the more regret because of his perfect acquaintance with them, was unable to reply to the question with the precision which its importance requires. He seemed to be under the impression that the arrangement proposed is that we should rehabilitate the whole of the worn sovereigns coined in Australia, which would mean an expense of £150,000 or £200,000 a year, whereas the correspondence plainly shows that what

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the Imperial authorities ask us to do is to make good that portion of the British gold coinage current within the Commonwealth—which is valued at something like £20,000,000—at a cost of something like £4,000 or £5,000 a year. This latter undertaking should not be of much concern to us, in view of the fact that we should have, to set against it, the total profits arising from the coinage of silver, which would amount to about £30,000 a year. But what I wish to bring before honorable members is, not so much the details of this arrangement, as the fact that, in my view, Ministers will be making a mistake if they commit the Commonwealth to a policy which will determine, for many years to come, the kind of currency which we shall adopt. Therefore, I felt justified, even in the present state of public business, in bringing the matter forward, in order to, if possible, induce Ministers to produce the correspondence, and to give us a promise to stay their hands until they can—probably in the early part of next session—obtain a legislative decision upon the principle involved, before proceeding further in the negotiations with Great Britain. I should like to remind honorable members of the recommendations of the Select Committee of this House which investigated the matter, because it is to defend the findings of that Committee that I am now taking action. The Committee were of opinion that over £30,000 per annum could be made by the Commonwealth as a legitimate profit on the coinage of silver. That finding was rather doubted at the time, but it has since been fully established by the inquiries which Ministers have made. The Committee discovered, however, that if the Commonwealth coined its own silver, its coinage would have to be different from the British silver coinage, because otherwise Great Britain would run the risk of the exportation of Commonwealth silver coins to other parts of the Empire, whereby at her expense we should make a large profit over and above the legitimate profit to which I have just referred, because we should be getting face value for coins whose real value would be 130 per cent. less. The correspondence reveals the fact that, as the members of the Select Committee anticipated, the Imperial authorities have insisted that this should be done. They ask, not as the Treasurer suggested during the discussion of the Committee's report that a mere mint mark shall be placed on our coinage, but that it shall be totally distinct from the British coinage, so that it will not be possible to change it for such coinage in other parts of the British dominions. The Select Committee recommended that if the Commonwealth coined its own silver, it should adopt the decimal system of coinage. The report of the Committee was presented during the lifetime of the first Parliament, and adopted by the House of Representatives. I have since then, during the lifetime of the present Parliament, brought the matter again before this House, and the recommendations of the Committee have been adopted a second time. Thus it would amount almost to an invasion of our legislative rights if the Executive of the day decided to adopt any other system of coinage than that which we have resolved upon. I, therefore, ask the Government to stay their hand in this matter. Parliament will probably reassemble within six months, and Ministers can then put a definite proposal before us. If we agreed to it, they could proceed with their negotiations with Great Britain. It would make no difference to the amount of profit derived from the coining of silver whether we adopted the decimal system or retained the present system. But if the present system is retained, useless expense and trouble will be incurred should we a few years later adopt the decimal system, and I am afraid that the retention of the present system would defer for a very long period—perhaps for a century—the adoption of the decimal system. If we are going to adopt the decimal system, there is no time so opportune for the change as a time when we are forced to coin tokens different from those at present in use. I do not wish to weary the House by reading lengthy extracts from the correspondence with the Home Government. The most important letter which it contains is a despatch from Mr. Lyttelton, replying to a communication from this Government, which shows that the Home authorities are under the impression that this Parliament intends to carry into effect the Committee's report, and to adopt a decimal system. But notwithstanding all that was said when the report of the Committee was before this House, about the difficulties which would arise in our relations with the Imperial authorities, and the obstacles which they would be likely to throw in our way, if we attempted to adopt a decimal system, we are met at the very outset with a very

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generous and sympathetic response to our application. The Treasurer thought that the Imperial authorities had not yielded all that we required on minor points, but the mistake was rather in the mind of the reader than in the mind of the writer. One of the right honorable gentleman's objections was that the Imperial authorities do not undertake to receive back at face value all our worn silver coin. In discussing the matter, both openly in debate, and with me privately, the right honorable gentleman has expressed the fear that if the Commonwealth adopts a new system of coinage, it will be difficult to get rid of our silver coins. He seemed to think that the Imperial authorities would not take them back. My point was that it would not be necessary that we should ship all our old silver coins to the Royal Mint, and there exchange them for gold, but that all that we should require to do would be to arrange with other parts of the British dominions which are continuing to use the silver sterling tokens of the realm to take their normal annual supplies from Australia. That is the manner in which the Imperial authorities suggest that we should proceed if we adopt a decimal system. They make the reasonable request, however, that we shall not pour an avalanche of £2,000,000 worth of silver coinage into any part of the British dominions at one time, and thus dislocate the finances of that country. They suggest that our exportation of old silver should be limited to £100,000 worth a year. The Treasurer regards a limitation as desirable and necessary, but he thinks that it should be fixed at £200,000 per annum, which would enable us to get rid of the present silver coinage in about ten years. To my mind, an exportation of £200,000 worth of silver coinage a year would be ample, though perhaps a limitation of £100,000 would be too small.

Mr. WATSON.—Does the honorable member contemplate the use of two denominations of silver coin side by side?

Mr. G. B. EDWARDS. — Yes. The coins which would be in use under the decimal system proposed by the Committee would be of the same value, though with different names, as our present florins, shillings, and sixpences, so that we might first get rid of our present half-crowns and threepenny pieces, and introduce new decimal coins to replace them. Thus we could commence the decimal system by using the existing florins, shillings, and sixpenny pieces, which constitute the bulk of the coinage in use in either system. We could get rid of our half-crowns and threepenny pieces by arranging with the Imperial authorities to supply New Zealand with the coin which that Colony will require from year to year, or by sending them through the banks to other parts of the world. The Imperial authorities suggest that this coinage should be exported through the ordinary commercial channels. The Treasurer, in his reply to Mr. Lyttleton, did not appear to understand what the Treasury officials in Great Britain meant by the "ordinary commercial channels." I think, however, that the meaning is clear. The banks, from time to time, to meet their requirements which are not satisfied by the public authorities, export silver from one place to another, and the Treasury officials take it for granted that the Commonwealth Government would be able to arrange with the banks to export a certain proportion of silver, and send it to their branches to take the place of the coin which they would otherwise have to specially import from Great Britain. The main despatch shows that the Imperial Government were not only ready to grant us all that we required, but indeed were anxious to meet us, and the only matters of detail that required to be disposed of were effectively dealt with in the later despatch relating to the exchange of silver. The Imperial authorities, whilst prepared to remove all worn silver, were not ready to meet an emergency such as would be created if they were called upon, owing to the adoption of the decimal system, to remove £2,000,000 worth of silver coins of the present currency from the Commonwealth and dump them down in some other portion of the Empire. We are not an unreasonable people, and no doubt all the necessary exchanges could be made if negotiations were entered into with other portions of the Empire. The final letter in the correspondence reveals the fact that the Treasurer replied to Mr. Lyttelton's letter, practically thanking the Imperial authorities, and intimating that the Government were going to take advantage of it. Inferentially the Treasurer said that the Government did not intend to adopt the decimal system at present, as it would probably take too long to obtain parliamentary sanction, but that they proposed to adopt a coinage of their own, which could be altered upon the adoption of the decimal system at a later stage. They would then ask the

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Imperial Government to remove whatever old coins might still be in circulation. If we adopt the proposals of the Government, as set forth in that correspondence, we shall institute a new system of our own, in no respect, except in form of coin, different from the existing British silver currency. Having adopted such a system, and having placed large numbers of new coins in circulation, it would be almost impossible for many years to come to persuade the Government to introduce the decimal system. I desire that the Government shall stay its hand for the time being, and invite Parliament to arrive at a decision upon the subject of decimal coinage. I contend that this decision could be obtained without much delay, if a proposal were submitted early next session. This House has twice expressed its approval of the decimal system of coinage, and, although the matter has not been formally introduced into the Senate, I understand that a majority of honorable members in that Chamber are favorable to the proposal. In discussing the metric system of weights and measures, honorable senators expressed themselves most favorably to the adoption of the decimal system of coinage. Therefore, the Government would have no difficulty whatever in passing a measure through Parliament in the early days of next session. If the Prime Minister will only add this subject to the rather long list, with which he is filling his memorandum book, of the subjects which are to be considered during the recess, I think that the Government will avoid committing a grave blunder. If we decided to adopt a decimal system of currency, we should at once derive profit from the silver coinage. Instead of coining shillings, we should issue half-florins, or half-dollars, which would be of the same value as a shilling. Then we could have a dollar or florin, and a quarter dollar, or sixpence. We should thus introduce the decimal coins at once, and should not require to effect any change at a later period. These coins could all circulate under the present system, and during the period necessary to enable the public to familiarize themselves with the new currency before its use was made absolutely compulsory, and the Commonwealth could derive the whole of the profits of the coinage from the outset. If, on the other hand, Ministers determine to go on with a coinage of their own, that is not to be associated with the decimal system, they will ultimately have to remelt the whole of their coin issue, in the event of our deciding—as I believe we shall—to adopt the decimal system. I regard it as my duty to bring this matter under the notice of the House, with a view to obtaining a promise from the Prime Minister that the Government will delay final action until they have had an opportunity to invite Parliament to express its definite opinion as to the best system of coinage to adopt. I think that, in the meantime, the Government will do well to print the despatch received from Mr. Lyttelton, to which I have referred, and also the very valuable memorandum written by the Treasurer. I hope also that the Prime Minister will carry out his promise to print the replies which have been received from the various commercial associations and trading organizations, which have been asked to state for the information of the Government, their opinions with regard to the proposed decimal system. It seems ridiculous for the Government to write to these various bodies, and ask them to express their opinions, and at the same time to proceed to adopt another system which will entail a large expenditure of money.

Mr. WATSON.—No large expenditure would be involved in carrying out the scheme advocated by the honorable member.

Mr. G. B. EDWARDS.—No. I am pointing out that we should probably save considerable expense if we adopted the decimal system of coinage from the outset. I contend that Parliament should decide what system should be adopted; that we should obtain the decision of the Legislature, and not of the Executive, upon that point. I think that I have full warrant for bringing this matter forward. I do not desire to provoke a discussion, but I think that the Prime Minister might very well promise to hold his hand in this matter, and also agree to the printing of the documents to which I have referred, which will enable honorable members to become more cognisant of the facts.

Mr. REID (East Sydney—Minister of External Affairs).—I think I can make a statement on this question which will render it unnecessary to devote much time to its discussion. I entirely recognise the valuable nature of the action which my honorable friend has taken on the present occasion, and I am happy to state that I am in a position to make to him, and to those who sympathize with his views, a

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satisfactory announcement. In the first place, the Government, in their negotiations with the Imperial authorities, made it distinctly understood that all their arrangements were contingent upon the possible establishment of the decimal system. That was the first action the Government took. In the next place, I entirely agree with my honorable friend that the subject is one in regard to which we should endeavour to enter upon some interchange of views with the Premiers of the States. Although, under the Constitution, this is a Commonwealth question, all matters which affect the business interests of our Australian communities must be subjects of concern also to the heads of the different States Governments, and I think that it will be perfectly proper to lay the whole of the facts before the Premiers' Conference, in order that we may have the advantage of their views. In the meantime, we shall stay our hands. We are not committed to the proposed arrangements until the House has had an opportunity to consider the results of the labours of the Select Committee on Decimal Coinage, and, also, I think, the replies which were sent in response to circulars addressed to various bodies representing the business communities. I think it would be well if these replies were published, and I see no objection to the publication of the despatch received from Mr. Lyttelton, and the minute of the Treasurer, to which the honorable member has referred. The despatch does not appear to be of a confidential nature, and I see no objection to laying it and the other papers before the Premiers' Conference. I shall also give my honorable friend an opportunity to test the feeling of honorable members early next session. I do not know whether the Coinage Committee has discharged all its functions. If not, I should like to see it meet again to consider the replies received from the representatives of the business public. It seems to me that they contain matter which might well come before the Committee, and which might, perhaps, induce it to modify its views.

Mr. WATSON.—The Committee would have to be re-appointed.

Mr. REID.—I am afraid that we shall have to appoint the Committee over again, and I will consider whether we could not take that step even at this late stage of the session, in order to permit of the consideration of the communications referred to.

Mr. G. B. EDWARDS.—The Minister for Home Affairs and the Treasurer would be fully competent to deal with them.

Mr. REID.—I know that the Treasurer has taken a great interest in this matter.

Mr. G. B. EDWARDS.—So has the Minister for Home Affairs.

Mr. REID.—I did not recollect at the moment that my honorable colleague, the Minister for Home Affairs, was a member of the Select Committee on Coinage. Of course he must have taken a great interest in the matter, and I am sure that that has been continued since he has been in office. I think that the statement I have made will be satisfactory to my honorable friend.

Mr. G. B. EDWARDS.—The Prime Minister might lay all the papers upon the table.

Mr. REID.—It might be inconvenient to allow all the papers to remain upon the table, but I shall make a selection which will represent the pith of the whole transaction, and place them on the table.

Mr. FOWLER (Perth).—This is a matter in which I feel a sufficient interest to impel me to say a few words. I think that the honorable member for South Sydney has done very well indeed to bring this matter before the House this morning. I think that those honorable members who are interested in the question of decimal coinage have some reason to be disappointed at the replies given by the Prime Minister to the questions recently addressed to him. I think that these meagre replies indicated that the cargo of accurate knowledge which he denies to honorable members upon this side of the House is in evidence in his own case. It seems to me that in some respects the answer which he gave to-day is indicative of a lack of knowledge upon this question.

Mr. REID.—I admit that.

Mr. FOWLER.—Apparently the matter has not yet come before the Cabinet, and I am of opinion that a change of the character indicated is one which ought to have been considered by that body before it was allowed to reach the present stage.

Mr. DUGALD THOMSON.—Action was taken by the previous Cabinet.

Mr. FOWLER.—But I do not think that the matter progressed to the present stage under the late Government. Despite the reply given by the Prime Minister, it appears to me that the Treasurer has entirely lost sight of the recommendations of the Select Committee which investigated the coinage ques-

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tion, and also of the resolution of this House. He has evidently assumed that he might make a change in our silver coinage without very much bother, and without reference to the views expressed by this House in regard to decimal coinage. There was no need for the Treasurer to proceed so far in regard to this matter until the Cabinet had had an opportunity to deal with it. Had the Government dealt with it, the Minister of Home affairs, as a member of the Committee on Decimal Coinage, would probably have been able to throw considerable light on the subject—even to the advantage of the Prime Minister himself. I wish to emphasize the point raised by the honorable member for South Sydney that the change which is now proposed will cause very little less disturbance of monetary values than that which is recommended by the Select Committee which investigated the question of decimal coinage. The recommendations of that body could be carried out without causing any perceptible friction amongst the general public. When the question of the coinage of silver is being dealt with by the Government, I think that they might very well take into consideration the desirableness of making the minting of silver coins a part of the decimal system, which was approved by this House. I take exception to the proposal of the Prime Minister that this change cannot be proceeded with until the Premiers of the States have been consulted. In my judgment, it would be very unfortunate, indeed, if the Government committed themselves to the practice of acting upon principles indorsed by this House only when the Premiers of the States signified their willingness to adopt them.

Mr. REID.—I have not made any such statement.

Mr. FOWLER.—Practically, the statement of the right honorable gentleman amounts to that. It cannot be denied that the question of coinage is one upon which we are expressly empowered to legislate under the Constitution. There is no suggestion contained in that instrument of government that we should first consult the States Premiers upon such a matter. I admit that the latter represent commercial men; but surely it will be acknowledged—even by the Prime Minister himself—that we represent the same class. Indeed, I am of opinion that the people, as a whole, are better represented in this Parliament than they are in any of the States Legislatures. The adoption of a decimal system of coinage would primarily affect the whole community, and would confer a distinct benefit upon every individual member of it. Seeing that Parliament has indorsed the recommendations of the Select Committee which investigated this question, I think the Government would be acting wisely if they adopted these recommendations at the present juncture.

Mr. SPENCE (Darling).—Whilst a portion of the statement which was made by the Prime Minister to-day may be regarded as satisfactory, I wish to enter my protest against the introduction of a system under which we shall be influenced by the opinions of the States Premiers upon matters over which we have distinct legislative control. We have no right to tolerate a Government which takes up that position. Had the States Premiers been in possession of any information bearing upon this question, they were at perfect liberty to tender it to the Select Committee which investigated it. In the initial stages of Federation, it is not desirable that we should lay down the principle to which I have referred. We have no right to be influenced by the views of the States Premiers. The honorable member for South Sydney has acted wisely in endeavouring to secure some delay in the casting of the dies for the new silver coins which it is proposed to issue. I feel convinced that Parliament will decide in favour of the adoption of the decimal system, and I regard the action of the Government as indicative of a desire to oppose the declared will of this House.

Question resolved in the negative.

PUBLIC SERVANTS' INCREMENTS.

Mr. HUME COOK asked the Minister of Home Affairs, *upon notice*—

Do the provisions of the Public Service Act (section 21, sub-section 7) entitle officers of the Clerical Division who are in receipt of £110 a year to an increment of £10 after twelve months' service at the salary named. If so, why has the increment not been paid?

Mr. DUGALD THOMSON.—The answer to the honorable member's question is as follows:—

No; sub-section 7 of section 21 must be read in conjunction with the other sub-sections of the section. The regulations provide that no officer of the Clerical Division whose salary has been advanced to £110 per annum shall be entitled to a further increase until such time as he would

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have received the amount in the ordinary course of progression through the subdivisions of his class.

HOUR OF MEETING.

Mr. REID (East Sydney—Minister of External Affairs).—I move—

That, unless otherwise ordered, the hour of meeting on each Wednesday and Thursday shall be half-past ten o'clock in the morning, Government business to take precedence.

I imagine that in consenting to morning sittings honorable members will be quite agreeable that those sittings should be devoted to Government business. When the Appropriation Bill has reached another place, I intend—if I possibly can—to set apart some portion of the time which would otherwise be occupied by Government business to a discussion of any matters which may be specially selected as matters which we ought to settle before the prorogation. I shall be very glad to co-operate with the leader of the Opposition in doing what I can in that direction.

Mr. WATSON (Bland).—I see no objection to the proposal of the Prime Minister. When a session is approaching its close, it is usual to allow Government business to take precedence of private members' business. I can see no objection to meeting in the mornings for a few days to expedite the transaction of the business which remains to be dealt with.

Mr. SPENCE (Darling).—It seems to me that considerable uncertainty exists in regard to the work with which it is intended to deal before the prorogation of Parliament. I understood from the Prime Minister's statement yesterday that it is proposed to discuss the question of preferential trade. That will occupy some time, and, as a number of honorable members wish to make arrangements for leaving Melbourne, I think that we should be given some indication of the Government intentions in regard to the business with which it is intended to deal.

Mr. REID (East Sydney—Minister of External Affairs).—In regard to the point raised by the honorable member for Darling, I think that I take up the correct position. I would remind honorable members that I am not merely the head of the Government, but that I occupy a wider position as leader of the House, and, in that capacity, I naturally desire to study the views of honorable members in a matter of this character. In one sense I represent the Opposition as well as those on my own side of the House. I shall take an opportunity to consult my honorable friends opposite in reference to the closing of the session, for I wish to ascertain what is the desire of honorable members generally with reference to it. I believe that a large number are in earnest in the desire to bring the session to a close next week.

Mr. WATKINS.—We are also in earnest in desiring to pass certain legislation.

Mr. REID.—I am aware of that; but I wish to ascertain the opinion of honorable members in regard to this matter. I know that I cannot please every one, but I shall do my best to arrive at a decision which will be generally acceptable. I think that the convenience of all parties may well be considered in dealing with the question of closing the session.

Question resolved in the affirmative.

CONCILIATION AND ARBITRATION BILL.

In Committee (Consideration of Senate's amendments resumed from 1st December, *vide* page 7773):

Clause 40—

The Court, by its award, or by order made on the application of any party to the proceedings before it, at any time in the period during which the award is binding, may—

. . . . . .

(*b*) direct that as between members of organizations of employers or employees and other persons offering or desiring service or employment at the same time, preference shall be given to such members, other things being equal.

. . . . . .

And provided further that no such preference shall be directed to be given unless the application for such preference is, in the opinion of the Court, approved by a majority of those affected by the award who have interests in common with the applicants.

. . . . .

Senate's Amendment.—Leave out "And provided further that no such preference shall be directed to be given unless the application for such preference is, in the opinion of the Court, approved by a majority of those affected by the award who have interests in common with the applicants."

Upon which Mr. REID had moved—

That the amendment be disagreed to.

And upon which motion Mr. WATSON had moved, by way of amendment—

That the following words be added—"but that the word 'unless,' line 12, be left out, with a view to insert in lieu thereof the word 'if,' and the word 'approved,' line 14, be left out, with a view to insert in lieu thereof the word 'opposed.'"

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Mr. HUGHES (West Sydney).—The Prime Minister, in moving this motion last night, made a speech extending over an hour, which I do not think was justifiable under the circumstances. He professed earlier in the sitting a most pathetic desire to put this measure on the Statute-book, and to bring the session to a close. Almost immediately afterwards he wasted an hour of our most valuable time in dealing with matters certainly not within the narrow scope of the amendment made by the Senate, which he asks us to reject. By various diatribes directed against unionists, non-unionists, and the people generally, he managed to work himself, and the whole House into a very lively frame of mind, and then sat down hoping, I suppose, that the session would be brought to a speedy close. I desire to protest against the course adopted by the right honorable gentleman, and to deal with the matter immediately before the Committee. That will be a pleasing change.

Mr. MCCAY.—For the honorable and learned member.

Mr. HUGHES.—It will be a pleasing change for the honorable and learned gentleman if I omit to mention his share in this business, because, although it has served his purpose admirably, he does not care to be reminded too frequently of it. I wish to state the position of the Opposition. What we desire is to provide for untrammeled preference, and are prepared to leave the matter entirely to the discretion of the Court. In taking up this position, we are justified by the experience of the Arbitration Courts of New Zealand and New South Wales. An attempt has been made to show that an injustice has been done to certain persons in New South Wales by reason of preference being granted by the State Court; but it has not been shown, either here or elsewhere, that any such injustice has been inflicted. It was sought to be shown the other day that the Court had established a new rule in respect to the granting of preference. In only one particular case, so far as I am aware, has the Court departed from the general rule of granting preference whenever asked. I understand that it did not grant it in the case of the laundry workers, but there were particular reasons for its decision. I do not agree with those reasons, but the circumstances are such as are hardly likely to recur. In the latest award made by the Court preference of the most complete character was granted. In a number of other cases the New South Wales Court granted preference, because it was not opposed. If a party asks that preference to unionists should be embodied in a certain award, and the other persons interested do not oppose the application, how can an injustice be done in granting it?

Mr. KELLY.—They have no chance of opposing it under the New South Wales Act.

Mr. WATSON.—They have.

Mr. HUGHES.—If a person is asked to attend, but does not appear before the Court to oppose an application, we must assume that he acquiesces in the application, or is indifferent to the maintenance of his rights or privileges. That is our position. We ask for preference, untrammeled by any order or direction to the Court by Parliament, but we are ready to accept as a compromise the principle laid down by the Government, upon which it stands, or ought to stand, and upon which it ought to be ready to fall. Obviously, however, it is not ready to do anything of the sort. The principle to which I refer is that upon which the Government came into power—the right of the majority to decide whether or not preference should be granted. We only ask that the parties who are to prove the existence of a majority should be those opposed to the granting of preference. It will be difficult for the Minister of Defence to show that this compromise is either impossible or unjust. The Prime Minister was certainly unable to do so. If, as the leader of the Opposition very aptly pointed out, the Prime Minister proves it to be impossible in the one case, he must admit it to be impossible in the other, and, therefore, he materially strengthens the arguments which were advanced by us at considerable length against the amendment of the honorable and learned member for Corinella before the present Government came into power. We said then, and we say now, that it is practically impossible to establish, to the satisfaction of the Court, that there is a majority in favour of preference. The Prime Minister last night declared himself the champion of the non-unionists, and we are not to forget that on the night upon which the Watson Government were defeated he declared himself to be the champion of those who were opposed to those principles which we believe are essential to this measure. He was the lion in the path of the Labour Party; he was the person who was going

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to do, I do not know what. It is true he has not done very much, but he certainly declared at the time that he was going to do a great deal. Above all things, he declared then, and he repeated it last evening, that he was in favour of safeguarding the interests of non-unionists. He said that the British halls of justice had never been polluted with the tar-smeared hoof of the politician. There, everything was bright, and fair, and alluring. There was the one place, he declared, where no one had ever dared to introduce political influence. There, our Judges, unaffected by political influence, undeterred by threats or by fear of non-election by any party to whom they might make themselves obnoxious, reigned supreme. I am very glad that it is so. And how could we better affirm our belief in the integrity of our Courts of justice than by showing our readiness to trust them unreservedly—by showing our readiness to give up those rights and privileges which we as unionists have with such difficulty obtained, but which, by the way, we have never exercised without the continuous denunciation of the right honorable gentleman, and those who support him? We have never dared to put in force any of the powers we possess as unionists without the right honorable gentleman denouncing us, and using every engine at the disposal of the law to defeat us. When the Prime Minister says that if he were a working man he would join a union, he forgets that unions have not secured at least one thing which they possess to-day, except at very great sacrifice, risk, expense, and pain. The unions to-day are a power in the land, and the right honorable gentleman particularly does not dare to openly flout them. We therefore find in one part of his speech remarks which he may quote on the public platform, saying, "See what I said in favour of the unions," and in another a sentence to which he might point as showing that he was in favour of non-unionists. Any one who is not delighted with such a speech must be very hard to please. The Prime Minister said last night, "I know what I should do if I were in the position of a worker. I should join a union. I do not care what the unionist gets so long as he does not obtain it with legal sanction." We are told that we may coerce, we may oppress the non-unionists, provided only we do not do so under legal sanction. The right honorable member stands here as an industrial anarchist. He wishes us to emulate that fearful condition of affairs which prevails in Illinois and Colorado. We read that the unionists there endeavour to persuade the non-unionist of the benefits of unionism by the very effective method of drawing a bee-line on him with a Winchester rifle, whilst the non-unionist and that amiable philanthropist, the employer, reply with a Gatling gun. That is a most effective argument. According to the Prime Minister, if we do this it is all right, and if we do not, it cannot be helped. But directly we say that we desire to abandon the methods of the barbarian, and the anarchist, and to appeal to law for satisfaction, he says, "Do not do that." Yet, as a lawyer, he stands behind the treble-barred gate of legal privilege. Imagine such a man saying that he does not believe in the protection of the law! What is there to keep competition from him as a member of the legal profession? Nothing but the law. The law decides that his profession, and mine, may not be rudely intruded upon by persons who have only intelligence, and intellect, and right motives to serve them. They are to be cruelly deprived of an opportunity to obtain a livelihood. Their little children are to be hungry, and to suffer because their poor unfortunate parents cannot be permitted to practise at the Bar. Do these pathetic wails about injustice to the non-unionist come well from the right honorable gentleman? For my part, I have nothing to complain of in this matter. I am now, so far as the legal profession is concerned, in a position in which I should like every unionist in the country to stand, protected by law. Is there a strike among the non-unionists in consequence of the protection given to the legal profession? Do they cover the ample proportions of the Prime Minister with Winchester repeating rifles? Do they threaten him? Not at all. They know the law, and as law-abiding citizens, though they may at odd moments rail against it, they respect it, as every British citizen does. The right honorable gentleman says that all a unionist gets by other ways than by sanction of the law is right. So the 1890 strike, when we were almost on the brink of revolution, riot, and bloodshed, was right, because the unionists had not legal sanction behind them, and were only exercising privileges and rights which they and their forefathers had obtained with so much difficulty with-

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out legal sanction. Now that the unionists are ready to abandon those great powers which they obtained with so much difficulty, and are ready to obey the decisions of the Courts, the right honorable gentleman says, "No; that would be a cruel injustice to the non-unionists." Yet in the next breath he says, "No matter. The unionists may be able to compel the non-unionists to join them, or go hungry, and leave their wives and children to face all the pangs of hunger." If the majority of the workers are in the unions, they may coerce, and they may threaten the non-unionists. They may compel them to join the unions, whether they like it or not. So long as they do that without the sanction of law, they will have the approval of the right honorable gentleman. Therefore, in an industry employing 500 persons, if 251 were unionists, the 249 non-unionists might be coerced, black-listed, and ostracised by them; but if the non-unionists obtain three recruits, they could coerce the unionists. All these things may be done, provided that there is a majority. The non-unionists will be able to appreciate, at its true value, the friendship of such a man. They will know that, so long as they have a majority, he will be their friend. So long as they have a majority, all such men will be their friends. But when they cease to have a majority, they will cease to interest the right honorable gentleman. Here and elsewhere, it is majorities that interest him. A majority of one is of supreme interest to him. A majority of two throws him into a paroxysm of delight. A majority of three raises him to the seventh heaven, while if he had a majority of four, we should be in recess to-morrow, and the Bill would be under the table. Therefore, I can understand his frenzied enthusiasm for majorities in this matter. But there are other rights besides those of majorities. The rights of majorities are to be considered only when there is no other method of determining the rights of the whole nation. The rights of minorities, as well as of majorities, should be considered. The right honorable gentleman, we have been told, stands as the champion of privilege, and of the plutocratic minority in this country. He seems now to have forgotten those whose mouthpiece he lately was. But he is followed by men of such diverse opinions, that he must at one time pose as the champion of the majority, and at another as the champion of the minority. I do not know how he reconciles these contrary positions to himself, while to reconcile them to his supporters must be a still more difficult matter. With him, a majority is nothing but a fetish. Provided that a union represents a majority, it may do as it likes. Our position is very different. We declare that the Bill is based upon preference to unionists, and that without such preference it would be useless. There are, however, many cases in which it cannot be shown that a union contains a majority of those employed in a trade. In many cases, it is difficult, and, in most cases impossible, to prove that it does. The honorable and learned member for Wannon last night referred to the action of Mr. Justice Cohen in giving preference to the New South Wales Trolley, Draymen, and Carters' Union. I am president of that union, and appeared in the Arbitration Court as counsel on their behalf. We stated that the union had a membership of about 1,200, and that of the employés of the Master Carriers' Union, to whom we were opposed, a majority belonged to our union. We should have been unable to show, however, that our union contained a majority of the persons affected by the award. The Trolley, Draymen, and Carters' Union of Sydney does not contain anything like a majority of the persons in the carrying trade of the county of Cumberland. There are, in the first instance, those who drive their own vehicles. They are affected by any award regulating the wages of those who drive for other persons. Then there are those who drive for warehouses, for retail shopkeepers, such as greengrocers, and fruitsellers, butchers, and grocers, and there are also tip-carters, milk-carters, and so on. In the city of Sydney, there are more than 3,000 carters. Therefore, the Trolley, Draymen, and Carters' Union, which has a membership of about 1,200, does not contain a majority of those engaged in the carrying and driving trade of Sydney. We were able to show, however, that it substantially represents those persons. An army substantially represents the nation to which it belongs, but it does not necessarily contain a majority of that nation. The head of the Government has at various times stated that the trade unionists of New South Wales do not constitute a majority of the workers of that State, nor do they; but I believe that they constitute a majority of the workers who can conveniently join unions,

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and in this connexion I should like to put on record some figures which have been given in a letter appearing in the Sydney *Daily Telegraph* of 5th July last, under the signature of Mr. Andy B. Spence. He shows that in New South Wales, in 1903, there were 754,632 males, of whom 310,321 were under the age of seventeen and a half years, while 20,719 were between the ages of sixty-five and 113, leaving 423,592 adult workers. Of these, 301,660 persons were engaged in such occupations as did not permit of their joining unions. We were told the other day that persons following agricultural pursuits had not joined unions. There are 75,000 such persons in New South Wales; then doctors, ministers of religion, persons engaged in education, art, and other pursuits, number 16,000. Relatives and others not stated to be domestic servants number 99,000. Students and scholars over the age of seventeen and a half years number 10,000. Persons engaged in dairy farming, 15,000—a grand total of 301,660. If that number be subtracted from the total number of available males, it gives the number of persons eligible to join unions as 121,932. Mr. Spence, however, declares that there are 70,000 unionists in New South Wales, leaving a minority of about 51,000, amongst whom are such persons as hotelkeepers, watchmakers, jewellers, cabmen, market gardeners, orchardists, nightmen, Chinamen, chemists, and others too numerous to mention. Therefore, in New South Wales, although the unionists are in a majority amongst those who are in a position to join unions, one of the strongest unions was unable to prove that it contained a majority of those affected by an award.

Mr. JOSEPH COOK.—Can the honorable and learned member conceive of an Inter-State trolley and draymen's dispute?

Mr. HUGHES.—Yes, though I am not obliged to furnish particulars. Even the honorable member does not propose to exclude such persons from the benefits of the measure. I admit that it is difficult to conceive that Inter-State disputes will arise, except among seamen, wharf labourers, and shearers, in the iron trade, and in one or two other industries. But one is never to know what will cause an Inter-State dispute. In 1890, from an insignificant spark sprang a gigantic conflagration, and we are not to say that such an occurrence might not come again. I have shown that a great union in New South Wales would have been unable to prove that it contained a majority of those affected by an award. Therefore, to ask the unions applying to the Court to prove that they represent a majority of all affected is to ask them to do what is always extremely difficult, and very often impossible. If this were not so, why should the Prime Minister object to the amendment of the leader of the Opposition placing the burden of proof upon the opposing side? We are not to forget that the majority mentioned in the proviso means the majority of the "persons affected," and not the majority of the persons "engaged" in an industry. If the Court were at all hostile it might very readily construe it in its widest acceptation. Take the case of the union which I have mentioned. The question would arise as to who would be affected by a strike of drivers. It might be held that the persons engaged in warehouses, or even shearers upon stations, were affected by such a dispute. Even the wharf labourers might be held to be affected.

Mr. McCAY.—I do not agree with that view of it, as the honorable and learned member knows.

Mr. HUGHES.—I do not know that it is proposed to appoint the Minister as a member of the Arbitration Court.

Mr. McCAY.—Nor do I know that it is intended to appoint the honorable and learned member.

Mr. HUGHES.—If I were appointed I have no hesitation in saying that I should interpret this phraseology very narrowly. If the Minister were appointed, I should have very little faith that he would take a similar course. As we are called upon to trust the Court, we must adopt such language as would enable any Judge to read into it the ordinary English meaning. I have pointed out that the word "affected" may mean anything. I should like to know why those who are opposed to preference should not have the onus cast upon them of showing that they represent a majority of the persons affected? The whole basis of this Bill is organization. It recognises organizations and nothing else. If then, an organization appears before the Court and claims preference, those who desire to deny it that privilege should be required to prove that they have a right to do so. Unless organizations go to the Court how can disputes be prevented? If we impose such conditions as will prevent organizations from going to the Court,

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how can we make the Bill effective? Speaking for one of the largest bodies of unionists in this country—the Waterside Workers' Federation, which embraces over 10,000 members—I may say at once that I do not think we shall appeal to the Court. We shall not incur the danger of losing the privileges which we now enjoy by appealing for preference under such conditions as are laid down in the Bill. Why should we do so, when we are told by the Prime Minister that we can get all that we require without the assistance of the Court? Why should we incur the expense of appealing, unless we are to obtain some return for our trouble and outlay, and for the risk we run. I am quite certain that the honorable member for Darling, who can speak with authority on behalf of the Australian Workers' Union, will tell the Committee that that organization will not appeal to the Court, and run the risk of having to give up those privileges which it has with such difficulty won.

Mr. SPENCE.—It has already been decided not to register under the Bill.

Mr. HUGHES.—Then there is the case of the Federated Seamen's Union. Why should they be asked to prove that they have a majority in favour of preference? Why should the employers not be called upon to prove that there is a majority against it? Would it not be easier for thirty or forty employers to prove that there was a majority against preference than for 10,000 unionists to prove that there was a majority in favour of it? Last night, the Prime Minister endeavoured to prove that it would be very difficult for the non-unionists—the scattered units—to go to the Court and individually say—"We are against the granting of preference." That is reducing the whole thing to an absurdity. How is the unionist to prove that the non-unionist is in favour of preference, except by canvassing each individual? In the case of the Trolleymen and Draymen's Union, we should have had to go round to every driver who was not in the union and ask him—"Are you opposed to preference being granted? If not, may we say that you are not opposed to it?" How else are we to ascertain the facts? If we are to adopt some easier and more effective way, cannot the employer follow the same course? One employer could say—"Here is a list of my employés, numbering 500, who are opposed to preference being granted." Another one could say—"I have 100 employés, the majority of whom are against the granting of preference." The employers would thus be able, if they had a case, to establish it with very little difficulty. Honorable members opposite know that if not practically impossible, it is extremely difficult to prove a majority, and they are not prepared to drink that medicine with which they propose to drench us. I wish to point out that the very essence of this Bill is that it deals with organizations, and not with individuals. It is a Bill to prevent industrial disputes. Industrial disputes can only take place between organizations of workers and employers. We do not fear the scattered individual disputes, with which the nation is not concerned, but gigantic disputes with which the whole community would be very much concerned. The danger is so great that I verily believe that honorable members who hesitate to approve of State interference yet wish to prevent a recurrence of those industrial upheavals which have proved so disastrous in the past. How fatuous it is, then, for them to approve of provisions which will discourage the unions from coming before the Court. Unless the unions can obtain preference they will not appeal to the Arbitration tribunal. I venture to believe that the refusal of the Arbitration Court in New South Wales to grant preference to the laundry workers in Sydney will deter a number of small unions from seeking the assistance of the Court. Only those unions which embrace the large majority of the workers in any industry will think of appearing before it. I desire now to show how effective the New South Wales Act has been, and how readily the unions have obeyed the law. They have obeyed the law, when, if they had chosen to break it, the authorities would have been powerless to check them. The Newcastle Miners' Federation, which embraces practically the whole of the miners in the northern coal-mining district, compelled the miners at Teralba to resume work, because the Arbitration Court decided that they should do so. The coal trimmers of Newcastle recently resumed work because the Court, when appealed to by the employers, decided that they should go back. We do not see anything about these things in the press, but, nevertheless, the law was sufficiently powerful to compel these turbulent bodies of men to resume work. The Coal Lumpers' Union of Sydney—a body of men who have on a dozen occasions

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shown their powers and their ability to compel non-unionists to fall into line, were recently, upon an appeal being made to the Court, induced to resume work at once. The wharf labourers of Sydney have also been more than once called upon by the Court to resume work, and have obeyed the decrees, although, I venture to say, there are not twenty persons following that occupation, in addition to constant hands, who are outside the ranks of the union. The members of that body were sufficiently law-abiding to do as the law directed. These are but a few instances of the effectiveness of the New South Wales Act, which provides for untrammeled preference to unionists. In the face of this, should we not refrain from doing anything that will have the effect of deterring the trades organizations from placing themselves under the control of such beneficial legislation? But this legislation is not so beneficial for the unions as for the country at large, because those unions that embrace practically the whole of the persons engaged in certain occupations, have nothing at all to gain by appealing to the Court, except that they can obtain by peaceful methods that which would otherwise have to be achieved by recourse to strikes; whereas the gain to the community at large is the substitution of peace for war, of law and order for anarchy. The principle of preference has been affirmed by Sir Robert Stout in New Zealand, and by Judge Cohen in New South Wales, to be the essence of compulsory arbitration, even though it may not be specifically provided for in the legislation. There is no necessity even to mention it, because, according to both Judges, unless preference can be given, compulsory arbitration is nothing but a sham. Honorable members opposite now propose to make this measure a sham, not in a direct and open way by means of a specific declaration that no preference shall be granted, but by surrounding the preference with such restrictions that the unions will not register under the Bill. Under these circumstances, I most emphatically declare that those honorable members who propose to take away from this measure the only element which would render it in the slightest degree useful are enemies of the Bill. If it is not to prevent industrial disputes, it will be of no service, and it cannot effect that object if the unions are not induced to register under it. They will not register unless they can obtain preference, and, therefore, the Bill will become a dead letter. I do not wish to say much more. I have pointed out, first of all, that the position taken up by the Prime Minister is an illogical one. We are here to safeguard the interests, not of majorities only, but of minorities, and of the whole nation. The Bill is designed primarily for the benefit of the nation rather than of the unions. It is intended to bring the unions, in relation to industrial disputes, into that line of submission to the law which has been demanded by civilization in reference to other disputes for centuries past. The measure depends for its utility, if not for its very existence, upon preference being granted to unionists. The provision for preference has been emasculated by the proviso. We asked for preference untrammeled by restrictions, save only those which the Court itself would impose; but we now have in the Bill something very different from that. In conclusion, I must remind Ministers that the welfare of the non-unionists is safeguarded in the most effective way by this Bill. For example, when a union comes into the Arbitration Court, that tribunal must be satisfied before any preference is granted, that the circumstances demand and permit of it, that the rules of the union are not harsh, and that they do not restrict membership; also that the numerical strength or representative character of the applicants is such as to warrant a preference being granted, and that the interests of non-unionists will be safeguarded when preference has been granted. In the case of the trolley and draymen which was recently contested in Sydney, a preference to unionists was granted, subject to certain restrictions. For instance, those persons who were in employment were not compelled to join a union.

Mr. McCAY.—That was very generous.

Mr. HUGHES.—Why?

Mr. McCAY.—It seems to me that it was only common decency.

Mr. HUGHES.—In New South Wales the common practice is that those who are in employment may remain non-unionists if they choose to do so.

Mr. McCAY.—Even the unions would not ask for more than that.

Mr. HUGHES.—It is well that the Committee should understand that preference cannot be granted to unionists without these restrictions, and, since the majority of persons engaged in any trade are always employed, it is obvious that the majority never tyrannically compel them to join

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a union. As a matter of fact, the interests of non-unionists are safeguarded under this amendment.

Mr. Lonsdale.—What was the stipulation in the case of the Trolleymen, Draymen, and Carters' Union in regard to the men who are in employment?

Mr. HUGHES.—One of the stipulations was that those who were in employment—whether they were non-unionists or unionists—should not be compelled to join a union.

Mr. Lonsdale.—But what was their position when they ceased to be in employment?

Mr. HUGHES.—When they seek fresh employment, preference is to be granted—other things being equal—to the unionists. Whilst we wish to secure untrammeled preference, we are prepared to accept the preference which is outlined in the amendment of the leader of the Opposition if the onus of proof be thrown upon the parties opposing it, rather than upon those who ask for it. That is not an unusual procedure, seeing that the same principle is laid down in section 144 of the Excise Act, and also in the Customs Act, with the exception that in the case of an indictable offence or fraud the onus of proof rests upon those who seek to prove it.

Mr. McCAY (Corinella—Minister of Defence).—I think we may fairly assume that honorable members like the honorable and learned member for West Sydney, and the honorable member for Darling, who have spoken not only with the authority to which their position in this House entitles them, but with the added authority vested in them by the great industrial unions which they represent, have presented to the Committee the ultimatum of the organizations which will possibly be affected by the operation of this Bill. Meanwhile, we must recollect that under the constitutional powers conferred upon us in respect of conciliation and arbitration, the operation of this measure will be very much more restricted than is generally supposed. At any rate, we have now been presented very definitely with the ultimatum of the main unions concerned, especially in view of the interjection by the honorable member for Darling, to the effect that the Australian Workers' Union have already decided not to register under the Bill if it be passed in its present form.

Mr. Batchelor.—That is true of all the unions in Australia.

Mr. McCAY.—The honorable member declares that all the unions in the Commonwealth occupy the same position. Do honorable members opposite affirm in their consciences that this clause is the cause of the trouble?

Mr. Webster.—It is one of the causes, and it is quite a sufficient cause.

Mr. McCAY.—It is only one of the causes, according to the honorable member for Gwydir. The late Government did not fight the question of the inclusion in this Bill of agricultural labourers or of domestic servants very vigorously, and neither of the amendments relating to those matters can affect the acceptance or rejection of the measure by trade unions. Apart from those amendments, there is not an amendment included in those submitted by the Senate which the late Government did not indorse and back.

Mr. Hughes.—That is not so.

Mr. McCAY.—I interjected only four times whilst the honorable member for West Sydney was speaking. I am sorry that I did not interject more frequently, because some of his statements might have been challenged with better effect at the moment they were made. It is quite true that the late Government accepted an amendment in regard to unions having political purposes only under pressure.

Mr. Watkins.—They thought that what was agreed to was better than something worse.

Mr. McCAY.—Yes, or what they regarded as something worse. May I ask, "Is a Government to be absolved from responsibility in accepting legislative proposals simply because they are not the proposals to which it is wedded?"

Mr. Hughes.—According to the right honorable member for Swan, "Yes."

Mr. McCAY.—Then I would ask the honorable and learned member for West Sydney to accept the right honorable member for Swan as his guide upon other matters connected with this Bill. I say, "Trust me all in all, or not at all," in connexion with matters of this character. We have been told by the unions that the preference provision is the price of their acceptance of this legislation. I maintain that no body of citizens has a right to hold any such suggestion as that *in terrorem* over the heads of the National Legislature.

Mr. Watkins.—Has not the Government received a petition from the Employers' Federation?

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Mr. McCAY.—If honorable members opposite will pay as much attention to the threat which is implied in that petition as do the Government, I need say no more upon the subject.

Several honorable members interjecting,

The CHAIRMAN.—I claimed—and I think that I obtained—for the honorable and learned member for West Sydney that attention to his remarks which they deserved, and I ask honorable members to extend the same courtesy to the Minister of Defence. If they fail to do so, I shall be compelled to take steps for which provision is made in our Standing Orders.

Mr. BATCHELOR.—There is a vast distinction between the speeches of the honorable members concerned. One of them limited his remarks to the subject under discussion.

The CHAIRMAN.—From the observation of the honorable member for Boothby, it appears that he is under the impression that the Chairman has allowed irrelevant remarks to be made.

Mr. BATCHELOR.—I do not suggest that for a moment.

Mr. McCAY.—I would remind honorable members that the leader of the late Government specifically stated that with certain exceptions this Bill was his measure.

Mr. SYDNEY SMITH.—He yielded to the Opposition.

Mr. McCAY.—The honorable and learned member for West Sydney blamed the Prime Minister for occupying an hour in the discussion of this matter, and yet he himself occupied fifty minutes. Consequently he is a less sinner by only 16 per cent.

Mr. HUTCHISON.—But he said something.

Mr. McCAY.—In that case he did what the honorable member for Hindmarsh is always doing—even when it is not his turn to do so. It struck me as very curious that throughout this debate honorable members opposite should seem to take it for granted that the principle of preference requires no justification. They appear to think that it is one of the "of courses" of the situation. It is, however, an invasion of the fundamental principles of citizenship, as understood in any English-speaking community, which requires to be justified by the special circumstances of the case. I should say that we lay down the rule that, as far as possible, equality of opportunity should be put into legal effect. But equality of opportunity is undoubtedly interfered with by any judicial direction, giving preference to members of organizations over non-members; and, therefore, there must be some special circumstances to justify that invasion, just as there were special facts in the case under the Customs Act, to which reference has been made by the leader of the Opposition and the honorable and learned member for West Sydney. While frankly admitting that it seems to me to be *primâ facie* repugnant to the principles on which we carry on the Government of the country to grant preference, I, for one, have recognised from the first that there are circumstances which justify the insertion in this measure of clauses allowing preference to be granted, provided that dangerous invasion—dangerous as being a contravention of our fundamental rules—has some reasonable safeguard attached to it. It seems to me that the least safeguard we can provide is that of attaching to the grant of preference the same condition that we attach to all matters of Government which have to be finally decided—the principle of majority rule. The honorable and learned member for West Sydney says that the Government assert that once majority rule is established, the majority can do what it pleases. We do not say anything of the kind. There is the safeguard of the rights of the minority in the Court. In that we have to trust the Court. If it were possible to point out to the Court the circumstances under which it should grant preference, and those in which it should not do so, I should be prepared to support the insertion of provisions to that end. But there are limitations to our powers of expression, just as there are limitations to our power to foresee the contingencies of the future, and, consequently, there must be some omission from our legislation of the complete expression of our desires. We are compelled to say to the Court, "We cannot tell you what direction you ought to give as to the granting of preference or no preference in any particular set of circumstances. We, therefore, leave it to you, in dealing with a case that comes before you, to see that the rights of minorities are protected." This legislation can, at least, provide, however, that, when the whole of the physical force of the community is to be expressed through the decision of a judicial tribunal, the Court shall apply that which we have found the best, although not the ideal, rule of Government. We can, at least, provide that it shall see that it shall be majorities which coerce minorities, and not minorities which coerce majorities. That is the position of the Government and those who think with

them in regard to this particular question. We must trust the Court to guard the rights of minorities. We say that in this as in other matters majority rule shall not be the condition from which preference shall flow as a matter of course, but that it shall be a condition precedent to the possibility of granting preference. It has been said by the honorable and learned member for West Sydney that the preference question is the basic principle of this measure. That statement has been made from time to time during the last four or five months; but no one heard of it before. Before the elections, when the Barton Government introduced the measure, after the elections, when it was taken up by the Deakin Government, and later on when the Watson Government came into office, it was declared again and again that the basic principle of the Bill was the patriotic motive of insuring the welfare of the community by preventing the pecuniary and moral injuries which result from strikes, and which affect, not only those concerned, but many other innocent members of the community. That was the basic principle of the Bill which was announced from time to time, until the preference clause actually came under our consideration. I assert that it is still the fundamental principle of this measure. Its basic principle is industrial peace, as compared with war; but now one of the combatants says "If you will not insert in the treaty of peace the conditions which we stipulate for, we shall carry on war." Is that the way in which peace is to be maintained as a substitute for war? These are the facts as we find them to-day. One of the great parties concerned says, "Unless you concede our terms, you shall not have peace."

Mr. SPENCE.—We have not said so.

Mr. McCAY.—Did not the honorable member state, by way of interjection, that the Australian Workers' Union had decided that it would not come under this measure unless this concession were made? In other words, that is a declaration that it will not accept this protocol of peace.

Mr. WATKINS.—They do not say that it is a concession.

Mr. McCAY.—It has always been a mystery to me that unionists have never yet realized that the granting of preference is a concession—that it is a departure from first principles, which can be justified only by the special circumstances of the case. I admit that the circumstances are such as to justify a departure, provided that the concession be reasonably safeguarded. I desire now to say a word or two in reference to the exact form of the amendment inserted on my motion when the Bill was before us on a previous occasion, and which has been the subject of much discussion during the last four or five months. It has been alleged by many honorable members of the Opposition that that amendment fails in two respects. They assert, in the first place, that it does not express what it is intended to express; and, secondly, that it expresses that which it is not intended to express. I should like to remind honorable members opposite, that, although the amendment was made as far back as June last, no one who has quarrelled with it has suggested an alteration that would lead to its expressing exactly that which we desire.

Mr. SPENCE.—We are altogether opposed to it.

Mr. McCAY.—And yet the honorable member's leader is proposing to accept it, with an amendment which he says would simply transfer the burden of proof. He accepts the principle. I cannot understand the attitude of these honorable members who swallow the oyster and then say its taste is not pleasing.

Mr. HUTCHISON.—We cannot help ourselves.

Mr. McCAY.—Honorable members of the Opposition certainly can. The Senate helped itself; it rejected the proviso altogether. That is a comprehensible attitude. I should like to remind honorable members that when the amendment which has been moved by the honorable member for Bland appeared in the Senate——

Mr. WATKINS.—Was not the Opposition asked to meet with a view to settlement, and now——

Mr. McCAY.—Will the honorable member allow me to proceed?

Mr. WATKINS.—I shall do so, as long as the honorable and learned gentleman is fair.

Mr. McCAY.—When interrupted, I was merely saying that this amendment had appeared in the Senate, and I do not know that it can be said that such an assertion is unfair. Soon after the amendment saw the light of day in another place, it disappeared. I am not concerned with motives, but I certainly am concerned with facts.

Mr. BAMFORD.—It has been resurrected here.

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Mr. McCAY.—And the corpse is not nice to look upon.

Sir WILLIAM LYNE.—The honorable and learned gentleman's amendment would mean destruction.

Mr. McCAY.—I do not hope to induce the honorable member to agree with me in this respect, but I wish to emphasize the point that the amendment which has been moved by the honorable member for Bland disappeared very quickly from the Senate. As soon as those who had spoken in support of it realized what it really meant, I imagine that they felt that they could not in political decency give it any further support. It now reappears in this House. What does it ask us to do? It asks us to say that whereas one man may go to the Court for a favour—and I use the word "favour" designedly—over another man, the latter shall be called upon to prove that the person who asks for that advantage over him is not entitled to receive it. An organization will go to the Court against an employer and say, "This employer is not giving us proper terms. Will you please order him to do so? Will you please order him to employ us, and no one else, until we all are in work; and then the crumbs that remain may be given to those who do not belong to us?" The proposal embodied in this amendment is that those who are to get only the crumbs—and they may be large or small—may not even be parties to the dispute. Notice is to be given them that they may go to the Court if they choose. We are aware of the joy with which citizens go into a Court of law. We know the inexpressible eagerness they show to enter a Court of law, in any other capacity than that of casual spectators. Those who are not members of an organization, are to be told, "You are not even to be parties to a dispute, but are merely to have notice that it is before the Court. You may go to the Court and show that a certain state of affairs exists, or else the other side are to obtain their preference as a matter of course." That seems to me to be a departure from another fundamental principle of fair play, which there are no circumstances to justify.

Mr. POYNTON.—The honorable and learned member is not stating the case fairly.

Mr. McCAY.—I am endeavouring to do so, and if I fail the honorable member must put it down to my lack of capacity, and not to my lack of desire. The fundamental rule to which I was referring is that he who seeks a benefit should prove his right to it, and that he who opposes the granting of it should be permitted to retain the advantage of the situation, which consists in being able to sit still until the claimant has proved his case. That is the principle followed in every Court of law in every community in the civilized world, and is one of the principles which has helped to make our Courts of Justice the unassailed and unassailable fount of honour and respect which they are at the present day. Honorable members opposite have quoted a certain provision of the Customs and Excise Act as a justification for their proposal. That one particular quality of audacity which is essential to success is not lacking when such a claim is made. Do honorable members recollect the circumstances under which the provision which subverts the ordinary principles of British law was placed in the Customs Act? Where it applies, there is a *primâ facie* case of wrong-doing on the part of the defendant, who has something to explain, and is the person best able to explain it. We therefore say to him, "Seeing that you have put yourself into a position in which it is reasonable to demand an explanation from you, we ask you to make it, instead of sitting silent until the prosecution has proved its case." It is because the circumstances call upon the defendant to explain the position, if he is innocent, and because experience has shown that it would be impossible to otherwise sheet home an offence, that we have in that case subverted a principle of British law. But that man is under suspicion. Is the non-unionist or the employer under suspicion?

Mr. MAUGER.—Many of the non-unionists are decidedly under suspicion.

Mr. McCAY.—Are non-unionists and employers generally under suspicion because a dispute to which they are not parties is taken to the Arbitration Court? Are they in a position analogous to that of those who are called upon under the Customs Act to justify their conduct? Will honorable members say that they are?

Mr. MAUGER.—I will say so.

Mr. McCAY.—The honorable member will say anything when he does not stop to think.

Mr. MAUGER.—I say it emphatically.

Mr. McCAY.—I say, with equal emphasis, that the analogy is utterly false. The man who is, apparently, an offender against

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certain laws, and whose offence it is, in the nature of things, hard to prove, is not in the same position as a non-unionist who is no party to a dispute, but who is, nevertheless, to be called upon to prove that the unionists who are asking for a favour are not entitled to it because they are in a minority.

Mr. Mauger.—Is not the fact of non-unionists being employed very often the cause of a dispute?

Mr. McCAY.—That does not make the non-unionist a wrong-doer—a moral offender such as the defendant under the Customs Act. The reversal of a principle of our Courts is permitted by the Customs and Excise Acts only when pecuniary penalties are involved, not when indictable offences, or offences punishable directly by imprisonment, are involved. The provision does not apply where intent to defraud the revenue is charged, that is, where the offence is more than the committal of an error, or a slight breach of the law. All that is provided is that where pecuniary penalties have been fixed for comparatively minor offences, the burden of proof shall be on the defendent, and then only because he has put himself into a suspicious position. But where a defendant's liberty is concerned, where it is a question of his remaining a free man or becoming a prisoner, the old rule applies, that a man is to be presumed innocent until he is found to be guilty. Yet some honorable members say that there is an analogy between that case and the position of non-unionists. Is not the livelihood of any member of the working classes his next most precious possession after his liberty? Is it not more to him than the question whether he shall be subjected to a pecuniary penalty? If a chain be no stronger than its weakest link, I have no great opinion of the chain of argument which has been forged to support the amendment of the honorable member for Bland. Surely there must be the strongest, the most cogent, and the most overwhelming reasons to justify in this case the reversal of the rule of British law, and the shifting of the onus of proof from the parties claiming a benefit to those who are not parties to the dispute, but who are compelled to watch it for fear that permanent wrong may be done to them, and perhaps their livelihood be taken away. The Honorable B. R. Wise, speaking in 1900, said that there was nothing in the New South Wales Act which would force a non-unionist to join a union, and no doubt he believed his statement; but will any one deny that he was a false prophet? I venture to say that no one can fairly deny, except in the strictly technical sense, that physical or legal force is applied to non-unionists to make them become unionists. The statement has proved incorrect. The force of circumstances, which is stronger than either physical or legal force, must inevitably drive men into unions if the principle of preference be carried out to the extent suggested by Mr. Wise. According to an extract read by the honorable member for Gwydir the other day, Mr. Wise, in a letter written to the Sydney *Worker*, contends that the weaker the union the more reason for giving it preference, because there will not be so many obtaining a preference over the balance of the trade. That reasoning reminds one of the excuse of the young woman, "Please, sir, it is only a little one."

Mr. Frazer.—It is the only way of saving the Act.

Mr. McCAY.—Honorable members opposite have accepted the principle of majority rule. They are quarrelling with us only as to how it can be applied. It is of no use for them to say that they are accepting it in default of something better. The fact is that they are accepting it. If they are not, they are taking up this position, and it is a disingenuous one. The amendment is unworkable, they say. Transfer the onus of proof to the non-unionists, and it will be unworkable by them, just as it would be unworkable by the unionists. If they take up that position, I say that they are not straightforward. They are pretending to accept a principle which they say cannot be put into practice. If their view of the amendment be correct, that it is impossible to put it into operation, they are pretending to accept the principle of majority rule, and are at the same time doing what is equivalent to knocking it out altogether.

Mr. Hutchison.—The honorable and learned member says that it is not impossible.

Mr. McCAY.—What I say cannot relieve any other honorable member from the obligation to reconcile his actions with his statements. Honorable members opposite have said, over and over again, that the amendment will not work.

Mr. Poynton.—Quite true.

Mr. McCAY.—Yet they are deliberately trying to place on the non-unionists

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the duty of proving that the unionists have not a majority, while they say that the unionists could not prove the converse. On their own showing, they are giving the non-unionists an absolutely illusory benefit. I do not agree with the view which they take upon the amendment. I say that it will work, though I shall not discuss its verbiage again. When the Watson Administration wished to have it recommitted, the proposal was not to amend it to express the principle more clearly. What that Government wished to do was to knock out the amendment, and to substitute for it one which would not embody the same principle. It was then a war between two principles, not about the expression of one principle. When the Bill went to the Senate, the friends of honorable members opposite omitted the provision, and since the measure has come back to us, they have been quarrelling as to the terms of the amendment. But, although they know exactly what it is intended to effect, they do not make a single suggestion as to how it is to be done. On the contrary, they say that the amendment is useless; and they propose to place the burden of doing that which they regard as impossible on the non-unionists. I take the view that the amendment is operative, and that the Court will place upon it the reasonable construction which I have explained over and over again, and which I shall not detain honorable members by repeating. I say that it is operative, and more easily operative by the unionists than by the non-unionists. The unionists have machinery which the non-unionists have not. The unions have their executives and their branches. They have representatives all over the Continent, in communication with head-quarters who can ascertain and collect facts and communicate with those who are administering the affairs of the unions. The non-unionists have none of these things. It is far easier for the unionists than for the non-unionists to prove a majority. That would be quite a sufficient reason for objecting to the amendment proposed by the honorable member for Bland. If that were not sufficient, there is the additional reason, which is founded upon sound principles, that those who are asking for a benefit should prove their right to it. Suppose that the Senate's amendment were accepted, and the Act did not provide for any restriction as to preference, and the Court itself, as it would be bound to do, commenced to lay down rules upon which it would grant preference. Could the human imagination conceive that the Court would lay down a rule that it would grant preference without regard to numbers, unless the opponents of preference proved that the applicants were in a minority? Would any Court say any less than that, so far as numbers were concerned, those who asked for the benefit should prove that they represented a majority? No Judge in the world would lay down such a rule as that which appears to be contemplated by honorable members opposite. I put that to the country as a fair test, and if any honorable member opposite ventures to assert that I am wrong, I shall leave those most concerned to judge between him and me. If the Court could conceivably adopt any such proposition as that put forward by the honorable member for Bland, there might be some reason for supporting it; but the very fact that when one asks himself the question, whether the Court would do such a thing, he unhesitatingly answers with an indignant "No," enables us to at once realize that the proposal of the Opposition is one that no community could reasonably accept in the circumstances to which it is sought to be applied

Mr. POYNTON.—That settles it.

Mr. McCAY.—That is my opinion, and I await with great eagerness the assertion of any honorable member to the contrary. There is one other matter to which I should like to refer. I apologize to honorable members for speaking at greater length than I had anticipated, but as I have not spoken for some considerable time, and as the proviso which was inserted at my instigation has been the subject of constant reference, perhaps I may be pardoned for extending my remarks.

Mr. HUTCHISON.—The Minister was quite satisfied that the proviso had served his purpose.

Mr. McCAY.—Yes, I was quite satisfied that it served my purpose. My purpose was to protect the principles upon which British government is carried on. The proviso has served that purpose, and I hope that it will continue to do so. If any verbal alteration is suggested that will make the intention clearer, and at the same time preserve the principle of the proviso, I am not so enamoured of my own choice of terms as to refuse to accept it. But I will not surrender the principle. Anything which would obscure the meaning of the proviso, or have the effect of endangering the principle which lies at the bottom

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of it, will not meet with my acceptance. On that principle I shall stand or fall when I face those to whom I am responsible. There is one other matter to which I should like to refer. Do honorable members opposite realize the practical effect of the amendment which they propose in connexion with the working of the Bill? The honorable member for West Sydney has told us that the employers can look after the interests of the non-unionists.

Mr. SPENCE.—They always do.

Mr. McCAY.—The honorable member who interjects is specially interested in a case in which certain methods have been adopted by the employers, or are alleged to have been adopted by them—I do not pretend to know the facts—by which the machinery of an Arbitration Act has been availed of in order to defeat the objects of the *bonâ fide* unions. They are alleged to have instigated the formation of a bogus union. Do honorable members opposite realize that the passing of the amendment would afford the most direct incentive that could be conceived for the creation of such unions? If it were agreed to, we should see bogus unions springing up like mushrooms all over the country. Then the representatives of the bogus unions would come into the Court and say that they represented the majority, and were opposed to preference being granted to the members of the other and the real unions.

Mr. SPENCE.—Bogus unions could not be registered under this Bill.

Mr. McCAY.—I think the honorable member is mistaken. I venture to say that the amendment proposed by the honorable member for Bland would, if embodied in the Bill, afford a greater incentive to practices of that kind than anything else that could be conceived.

Mr. SPENCE.—We are prepared to risk that.

Mr. McCAY.—I do not know what the friends of the honorable member outside would say if they knew that he had ploughed the ground for the planting of a crop of bogus unions. However, I leave honorable members to arrange that matter with those whom they are professing to assist. The honorable member for West Sydney analyzed the figures relating to employment in New South Wales, and came to the conclusion that 120,000 workers were eligible to join unions, and that 70,000 of them, or, in other words, a majority, were already embraced by the unions. This was held to disprove the assertion made by the Prime Minister, but it establishes, up to the hilt, the allegations that we are always making to the effect that the unions would have no difficulty in proving that they represented majorities of the workers. A gentleman writes to the newspapers, and his statements are accepted without question by the honorable and learned member for West Sydney. Surely the Arbitration Court will not be less amenable to reason than is the honorable and learned member.

Mr. WATKINS.—Then why should the proviso be inserted?

Mr. McCAY.—Because otherwise we should have no guarantee that the Court will require that certain conditions shall be complied with. If we adopt the amendment proposed by the honorable member for Bland, we shall direct the Court that it is not to regard numbers unless the opponents of preference come along, and prove that they have a majority. That would be worse than leaving the matter quite open to the Court. It would be equivalent to telling the Court that numbers must not count unless the opponents of the applicants proved that they were in a majority. A few months ago, even the honorable member for Bland desired that numbers should be considered, but, under his amendment, he would direct the Court not to consider numbers, unless others, who had not the same opportunities for representation that were possessed by the unions, came into Court for the special purpose of showing that which they had no right to be called upon to show, namely, that they were in a majority. No Court would do that if it could help it, but under the amendment it could not help it. Is that the way in which honorable members opposite desire to treat those who do not belong to the unions? I am not quarrelling with the unions or their work. The mere knowledge of the good qualities of honorable members opposite who are identified with the unions would, apart from other reasons, be sufficient to deter me from taking any other than a favorable view of their organizations.

Mr. POYNTON.—Does not the Minister see that a majority would have to be indorsed upon the applications for preference?

Mr. McCAY.—No; the majority would not have to be indorsed upon the applications. The Court can inform its mind in

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any manner that it thinks fit. It might accept a letter such as that recently published in the press as affording sufficient evidence that the applicants represented a majority. It might, as we do, take up Coghlan's *Seven Colonies of Australasia,* and adopt the figures in that publication, if it thought fit. Suppose, for instance, the Court ascertained that 5,000 men were concerned in their award, and that the union applying for preference embraced 3,000 members. The Court would undoubtedly hold that as sufficient proof that the applicants for preference represented a majority. The officials of the union would presumably be able to give definite information as to the number of members they represented.

Mr. SPENCE.—Yes; but we could not tell how many persons might be affected by the award.

Mr. McCAY.—Honorable members are unduly straining the meaning of the words contained in the proviso. However, I do not propose to go back and discuss details which I should be quite willing to again consider if honorable members had given me any reason to do so. They have not, however, suggested a single thing. They have stated that my amendment is of a most terrible character, both in form and in principle. They have now abandoned their fight on the principle, and say that its form is bad. They have gone further, and have said in effect, "We leave you to your own miseries." They have not suggested any amendment which would improve the proviso without destroying its principle. I have been waiting for months, like "Patience on a monument," for suggestions from honorable members opposite, and I am still willing and ready to consider any proposal they may make. In conclusion, I wish to say that I believe the principle of majority rule is the least we can insist upon to safeguard us in connexion with the departure from ordinary rules involved in our giving one man preference over another by Act of Parliament. We are restoring status. We have been for many years substituting contract for status. Now we are proposing to restore status, and, in fact, to revert to mediævalism to some extent. It appears to me that we should make some concession, but that in making it we should surround it by all the reasonable safeguards we can think of, and I know of none that is fairer or more necessary than that of majority rule. To that principle I adhere now, as I adhered to it in the beginning, believing that it is the least that we can insist upon in order to make this a fair measure to place upon the Statute-book of the Commonwealth.

Mr. SPENCE (Darling).—I have no desire to traverse the statements of the Prime Minister, who has attempted to give one of those clever turns to this debate which would prevent the arguments of the leader of the Opposition from having due weight. With that acuteness which distinguishes him, the right honorable gentleman has endeavoured to drag a red herring across the trail. As a result, we have had many fine heroics which have no bearing upon the question under consideration, although they may cause the Employers' Federation to feel happy in the reflection that its members are represented in this Committee. As one who has made a close study of the history of the labour movement in Australia, I was surprised to hear the term "British justice" so highly lauded by the Prime Minister, especially in view of the fact that he must be acquainted with the struggles and martyrdom which have been experienced in connexion with the trade union movement. To declare that justice is meted out in British Courts of law is to assume something which is not based upon fact. Years ago, the unionist practically occupied the position of a wrongdoer. He was supposed to be a wicked man. If he were an agitator—that is, one who was willing to incur the risks involved in an attempt to uplift his fellow man—he received a less measure of justice than he would otherwise have received. In view of the strong bias which we have seen exhibited, even in the case of our own Judges—for whom I entertain the greatest respect—I say that it is the non-unionist who receives consideration, and not the unionist. What measure of justice has been meted out to unionists by Courts where the presiding justices of the peace were squatters? The term "British justice," in my opinion, had better be entirely discarded. We should establish a Court which is charged with the responsibility of giving decisions according to equity and good conscience. I have known cases in which employers have compelled men to work in a particular locality, irrespective of whether or not they liked the conditions. In Creswick, which covers a radius of fifteen miles, no man was permitted to work in the mines unless he was a member of a union, and had paid his subscriptions. That was the tacit understanding between em-

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ployers and employés. The Prime Minister declares that such an arrangement is all right. But, I would ask, how came it to be enforced? Simply because the employés retained the power to strike. In my sixteen years' experience there, I can recall only one occasion upon which that principle had to be enforced. I desire to show the Committee how it operates, and I venture to say that the Minister of Defence will presently see that he has an exaggerated idea of non-unionists. There is no occasion to legislate for them in the way that is proposed to-day. The original idea was that we should leave it entirely to the President of the Arbitration Court to say whether a preference should, or should not, be granted to unionists. The charge that the Watson Administration have gone back upon their principles comes with ill-grace from the Minister of Defence, especially in view of the fact that the present Government have swallowed the proposal to include railway servants within the scope of the Bill—a proposal which they declared they would not accept. Members of the Ministry have dared to twit the Labour Party with having been compelled to accept something with which they did not agree.

Mr. McCAY.—I admitted that they were forced to accept that position, but I declare that, having accepted it, they must shoulder the responsibility.

Mr. SPENCE.—But the Minister carefully differentiated between the one situation and the other.

Mr. McCAY.—But they are not forced into the present position.

Mr. SPENCE. — The Government have so solid a following that all its members will be bound to vote if they wish to defeat us. Under the amendment an opportunity is given to those who believe in the principle of preference to record a vote in favour of something which is absolutely fair and feasible. The Minister of Defence has not shown that there is any need whatever for the proposal of the Government. It is not contained in New Zealand or New South Wales legislation, in regard to which there has not been a word of complaint. The Government simply refuse to trust the President of the Arbitration Court. The objection of the Australian Workers' Union to this proposal is that it is not workable. No evidence has been brought forward to show that there is any necessity for it whatever, and I maintain that no harm will be done by vesting a discretion in the Court. During the course of this debate, a great deal has been said in reference to non-unionists. I have urged many times that the term "non-unionist" is a misnomer, and the same remark is applicable to the term "preference." Non-unionists are men who, in time of industrial disputes, are prepared to accept the inducements offered by employers to fill the places of men on strike. They are the men whom I described on a previous occasion as being of a criminal type; but they are not the men we have in mind when we refer to non-members of unions. The mission in life of the non-unionists will disappear with the establishment of the Arbitration Court, because employers will not need their services.

Mr. McCAY.—No one speaks in terms of enthusiasm of such persons.

Mr. SPENCE.—When we speak of "scabs" and "black-legs," we have in mind men of that class, and not the non-members of unions, for whom the Prime Minister, the honorable member for New England, and others have displayed so much anxiety. Unionists are admittedly the best workers. In engaging hands, an employer naturally selects the most competent, and therefore it will always be to his advantage to employ unionists. The grievances which lead men to organize are generally the accumulation of many years of employment, and therefore trade unions are formed, not by those who are idle, but by those who are working. It is only reasonable to assume that those who are kept in steady employment are more competent than those who are not, and as unions are for the most part formed by the first-named class, the unionists must be the more competent workers. It will therefore be seen that in asking that unionists shall be given a preference, we do not demand something that may inflict an injustice on employers. I do not argue that men who have the misfortune to be out of work are necessarily incompetent. I merely say that unionists, because of the fact that they are employed, must be good workers, and that it is reasonable to assume that they are more competent than those who remain idle. As a rule, a man joins a union as soon as he obtains work. When the Conciliation and Arbitration Bill of New South Wales was passed, unions and unionists were not nearly so numerous as they are to-day. With the passing

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of that Act, however, there was a great revival. A large number of organizations voluntarily sprang into existence, and were readily joined by the workers. The honorable and learned member for West Sydney has quoted some figures relating to the number of unionists in New South Wales, but I would point out that they merely represent the number who are financial members of registered unions. Mr. A. Spence secured them from the registrar, but they do not by any means represent the total number of unionists in the State. The subscription to the union of which I am a member is paid annually, but many men engaged as shearers during one season, and who join the union, may not be employed in that calling in the following year, and therefore do not contribute to its funds. But although they are unfinancial, they are at heart true unionists. There are many thousands of these men, so that the Minister of Defence will recognise that the figures quoted by the honorable member for West Sydney must be largely increased in this way.

Mr. McCay.—If that be so—and the honorable member ought to know—what great objection can there be to the Government proposal?

Mr. SPENCE.—I shall tell the honorable member. The Prime Minister admits that in certain trades the unionists have a majority. Our best men make unionism a matter of religion. They regard it as a most sacred principle. They have suffered for it over and over again, and have endured poverty and almost starvation for the sake of the principle. It is a slander to describe such men who do not actually belong to a union as non-unionists. Many who have been unionists for years, but have become unfinancial, are not included in the list which Mr. Spence secured. With the passing of the New South Wales Act, the men employed in a number of industries organized because they knew that they would be able to appeal to the Court to redress grievances which they were not courageous enough to deal with according to the old-fashioned method. In these circumstances, why should the Government insist upon the clause being passed as it left this Chamber?

Mr. McCay.—It seems to me that the answer is that it can do no harm.

Mr. SPENCE.—That is not an answer. The Government have spoken of the principle for which they contend as being most important, and they seem to be almost prepared to stake their political existence upon our acceptance of it. When, as practical men, we assert that the Government proposal cannot be carried into effect—when we assure the Government that practical unionists behind us who know their business express the opinion that the clause would be of no service unless amended as proposed by the Senate—we may be pardoned for assuming that there must be some motive, which has not yet been brought to light, for their refusal to agree to any amendment. Why do the Government stand by the exact wording of the amendment carried on the motion of the honorable and learned member for Corinella? That honorable and learned gentleman has said that he has been waiting for over a month for some one to suggest a way out of the difficulty. The leader of the Opposition has provided one.

Mr. McCay.—He would simply reverse the Government proposal.

Mr. SPENCE.—The Government are rallying their forces to secure the rejection of the Senate's amendment, and in view of all the circumstances of the case we have some reason for being suspicious. It goes without saying that no evidence has been adduced showing that there is any necessity for such a provision as that carried on the motion of the honorable and learned member for Corinella. Although the Arbitration Court of New Zealand has had the right for some years to grant preference to unionists, no complaints of the injustice of a preference award have been brought under the notice of the Court. Mr. Justice Cohen, President of the Conciliation and Arbitration Court of New South Wales, has also stated publicly that no complaint as to its work has been brought before that tribunal. The Prime Minister has correctly asserted that the unions relating to those industries which are likely to be brought under an award of the Court have a majority. Then why all these heroics?

Mr. David Thomson.—The Government wish to destroy the Bill.

Mr. SPENCE.—Why should they desire to prevent the passing of a workable measure? I appeal to the Committee to accept the Senate's amendment, and to leave the Court free to exercise its discretion in the matter of preference. I wish to emphasize the point that the occupation of the non-unionist, who can be hired in time of industrial trouble, will disappear with the passing of this Bill, inasmuch as

it is designed to do away with strikes. If an employer feels that he can manage his business better when untrammeled by an award of the Court, he may readily avail himself of means to render himself immune in this respect. It is only necessary for him to let it be known amongst his employés that it will not be to their interests to join a union. If employers had adopted that course when the New South Wales Act came into operation, there might not have been so great a revival of unionism. The fact that in numerous cases the men did not organize before the passing of the Act, is evidence that they had not sufficient courage to resort to the old-fashioned methods of standing out against what they considered to be unfair treatment. The fear of loss of employment would have deterred them from organizing. In America the workers are compelled to sign an agreement that they will not join a union before they are engaged, and that system is in operation in all the States.

Mr. TUDOR.—The Melbourne Tramway Company make their men sign an agreement to that effect.

Mr. SPENCE. — Men are often forced to sign such agreements at the risk of losing their bread and butter. I wish to show that without preference to unionists, the employers can not only defeat the purposes of the measure, but also oppress unionists. That is being done in Australia at the present time, and is common in America, where the late Jay Gould had what was called an ironclad oath, which he compelled all his employés to take. How is the Bill to prevent the blacklisting of unionists unless preference is given? It is the low-priced labourer and the sweating employer who have brought about the social evils against which we are now legislating. Such persons will not stick at anything. Without an organization it would be impossible to go to the Court for an award, and the present friction and trouble would remain. But if, when an organization has obtained an award, employers can give preference to non-unionists, the unionists will be penalized. The clause which prevents an employer from dismissing them because they are unionists is valueless, since an employer who held his tongue could easily evade its provisions. Without preference, not only will individual unionists have no security, but the organizations themselves will have no security. To my mind, the term "preference" is a misnomer, and the word "security" should have been used in place of it. Under present circumstances, if the unionist is not safeguarded, preference is likely to be given to non-unionists, to those who have been so strongly denounced by the Prime Minister, who, in his next breath, championed their cause. The reason for giving preference to unionists is to make them secure, to give them a chance to earn their living, instead of being supplanted by non-unionists. The fact that in New South Wales men are joining unions without any coercion shows that the workers generally do not object to organization. They recognise the advantages which come from it. Is it necessary to consider the few selfish individuals who will not join unions, but who are ready to take the advantages which flow from unionism? It is foolish to say that it is wrong to compel a man to pay his share for the benefits which he has received, though I agree that no one should be coerced into doing what is inimical to his interests. Do we allow any section of the property-owners in a municipality to escape the payment of rates? If property-owners refuse to pay rates, the municipal authorities at once sue them, and they have to show that they have good ground for refusing to pay.

Mr. McCAY.—The municipality has to prove their liability.

Mr. SPENCE.—Yes, but those who refuse to pay have to prove justification for their action. Similarly, any non-unionist who refuses to join a union, should be asked to state his objections to doing so. The Court is open for him to do that. The Bill provides that no union shall have rules which are unequal in their incidence. The door must be left open to non-unionists, and all objectionable features must be removed before there can be registration. The non-unionist gets as much benefit from unionism as do the unionists who for years have given their money and time, have sacrificed their interests, and have suffered as no men have suffered on the battle-field, for the advantage, not of themselves, but of their fellow-men. A non-unionist, however, who is a competent workman, has a better average chance of obtaining employment than has a unionist, because many employers make it a condition of employment that their men shall not be unionists, and shall not join unions. I interjected when the Minister was speaking that the employers claim to represent and to act for the non-unionists, that is, for those who have stood by them in time

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of trouble. The members of the Pastoralists' Union not only have worked a system of boycott, but have established a system of references which has been explained to honorable members. Non-unionists who stood by their employers during the shearing strikes, and declined to join the union, receive references from the stations on which they were employed, which have since become so valuable that in some instances they have been sold for as much as £5 each. A rather amusing incident occurred in connexion with the purchase of one of these references, which had been granted to a man named Cohen. The man who had bought it went to the manager of the station, and asked for a job. He had assumed the name of Cohen, but he forgot that the man to whom the reference was given was a German Jew, who spoke broken English, whereas he himself was an Irishman. Consequently, the imposition was detected, and the reference was taken from him, so that he lost both it and the money which he paid for it. The President of the Pastoralists' Union in New South Wales, Mr. W. E. Abbott, is always careful to say that the union represents and acts for non-unionist employés. The disputes which occur are not between employers and non-unionists, but between the employers and organized labourers, and when a case comes before the Court, they are the parties to it. The unionists look after the interests of the workers as a whole, whereas the employers look after their own interests and the interests of that particular section of employés whom they feel are of value to them. Therefore it cannot be said that these employés are not represented. They are represented by the employers. Are we wrong in asking that the employers shall be compelled to show that the claims of the unionists are not just?

Mr. LIDDELL.—Did not Mr. Abbott give the shearers everything they asked for, and yet they would not accept his terms?

Mr. SPENCE.—He would never meet us. In eight years the pastoralists refused on four or five occasions to meet us. That is why we need compulsory arbitration.

Mr. KENNEDY.—What was the use of meeting when the honorable member could not control his union?

Mr. LIDDELL.—The pastoralists offered everything that was asked for.

Mr. SPENCE.—That is absolutely incorrect. When the two parties to a dispute go before a Court, every one interested is, as I have shown, represented. It has been admitted that the unions which are likely to go to the Court comprise a majority of those in the trade. That being so, what need have the Government to take this stand about non-unionists? The employer acts for the non-unionists, and looks after them because they may become useful to him. He may utilize them to prevent an award from being secured. Bogus unions cannot be represented before the Court, but the employers can bring forward witnesses whose evidence might have great weight. All those interested could be represented, and there is no need for any special provision to afford protection to non-unionists. We have found it necessary to bring forward the amendment proposed by the honorable member for Bland, because we recognise that in view of the attitude assumed by honorable members opposite, it is useless to expect them to agree to the Senate's proposal. We are now suggesting the amendment as an alternative, in the hope that a sufficient number of honorable members may be disposed—irrespective of party considerations—to make the measure workable. It has been argued by the Minister of Defence that the amendment proposed by the honorable member for Bland would be unworkable. It is extraordinary that the old axiom that if a rule is good it should work both ways should not apply on this occasion.

Mr. McCAY.—I said that if the amendment were inserted the clause would be less workable than as it stands.

Mr. SPENCE.—It is claimed that the proviso is workable; and that the amendment is less so. I propose to show that it is more practicable. Four organizations have been mentioned as the most likely to appear before the Federal Arbitration Court. They are the Australian Workers' Union, the Federated Seamen's Union, the Marine Engineers' Institution, and the Waterside Workers' Federation; but I can assure honorable members that, so far as they are concerned, the clause in its present shape would prove absolutely unworkable. We are willing to accept the clause without the proviso, but we cannot go further than that.

Mr. WILSON.—Will the honorable member agree to abandon preference altogether?

Mr. SPENCE.—Certainly not. We regard preference to unionists as the very essence of compulsory arbitration. We say that it is not in reality preference, but

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security, and that it affords a guarantee for the proper observance of the law. We say that no preference would be given to unionists, beyond that they would enjoy as superior workers. Only two classes of employers will be concerned in the disputes which will probably come before the Court, namely, the ship-owners and the pastoralists. The ship-owners would be parties to any disputes which might affect the marine engineers, the waterside workers, or the seamen, whilst the pastoralists would be concerned in any dispute affecting the Australian Workers' Union. I understand that about twenty ship-owners practically control the whole of the coastal shipping trade of the Commonwealth, and I contend that it would be very easy for them to produce evidence against the granting of preference to, say, the members of the Seamen's Union. It would be more convenient for them to show that there was a majority against preference, than for the representatives of the 10,000 seamen to prove that their application was supported by a majority.

Mr. McCay.—Surely the statement or the officials of the Seamen's Union that that organization embraced 10,000 members would be accepted by the Court?

Mr. SPENCE.—Not under the proviso. They would be required to show that they represented a majority of the whole of those who would be affected by the award. The ship-owners have records of every man in their employment, and they know exactly how to communicate with them. They might, with the greatest of ease, take a referendum in order to ascertain the views of the men upon the subject of preference. We have frequently been told by employers that their workmen do not believe in unions, and that, as a matter of fact, the majority would be content if there were no such organizations. If that be the case, it should be easy for the employers to prove that the applicants for preference did not represent a majority. The pastoralists would be able to produce similar evidence, although in their case the difficulty would be greater. It has been admitted that so far as the Australian Workers' Union is concerned, there would be more difficulty in proving that a majority was in favour of preference, because the men are not employed continuously, but only for a few months every season, and do not work for the same employer every year. The pastoralists are organized, and have lists of their workmen, and could easily ascertain their views. They are, in fact, the only persons who could ascertain the opinions held by those who are not in the unions. We know that our union represents a majority of the men engaged in shearing and other bush work; but it would be very difficult for us to establish that fact before the Court. So far as reason and common sense are concerned, we might satisfy all requirements; but the Judge could not ignore the provision in the Bill that preference must be supported by a majority of those affected by the award.

Mr. McCay.—If the representatives of a union went into Court, and asked for preference, it is inconceivable to me that the Court would not regard the whole of the members of the union as being in favour of the application.

Mr. SPENCE.—The Judge would be unable to ignore the terms of the proviso, which, as the honorable and learned member for Indi so forcibly pointed out, require that the application for preference must be approved by a majority of those affected by the award. It is not sufficient that a majority of the workers should be embraced by the union.

Mr. McCay.—I think it is.

Mr. SPENCE.—Take the case of the shearers. Suppose that they had a dispute as to rates of pay, and went into the Court and asked for preference. Even though they might be able to satisfy the Court that they represented the majority of the shearers, they could not establish the fact that they represented the majority of those who would be affected by the award. The persons affected might be held to include all the bush-workers whose occupation might be interfered with by a strike of shearers; all the wool-carters from the shearing sheds to the railway stations, all the carters from the railway station at Darling Harbor to the ship's side in Sydney, and the wharf labourers who are paid so much per bale for stowing the wool in the ships' holds. It is impossible for us to know what view the Court would take in such a case. We cannot say positively who would or would not be affected by the award, and we should have to take our chance of any view which the Judge might entertain upon that point. I have the greatest faith in the fairness of the Judges; but I recognise the power and influence that would probably be exerted by the legal gentlemen employed by the employers, and the extent to which the Court would be required to adhere to the

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provisions of the Bill. The case which I, as President of the Australian Workers' Union, could put before the Court, would not be sufficient to satisfy me if I were on the bench. The Pastoralists' Unions hold their meetings just about the beginning of the year. They then issue their manifestoes, setting forth the rates of pay and conditions of work for shearers for the coming season. At that time of the year, it is utterly impossible for us to reach the whole of our members. Many of them are nomadic, and have no settled place of residence. No one can determine the exact whereabouts of the members of such a great nomadic class. The Australian Workers' Union could not secure a vote of its own members, if it desired to do so, upon any particular date. I claim that the unionists should always be granted a preference. The proposal of the Government is that no preference shall be granted, unless the application is approved by a majority of those affected by the award.

Mr. McCAY.—The President of the Court has to inform his mind upon the question in such manner as he thinks fit.

Mr. SPENCE.—The proposal of the Government does not express that.

Mr. McCAY.—Will the honorable member look at clause 25?

Mr. SPENCE.—The Bill specifically states that before any preference is granted to unionists, the application for such preference must be approved by a majority of those who would be affected by the award of the Court.

Mr. McCAY.—But the Court will follow the methods prescribed by clause 25.

Mr. SPENCE.—The point which I am raising has been emphasized by the Court in New South Wales. Our executive is the recognised authority of the Australian Workers' Union.

Mr. McCAY.—Would the honorable member be satisfied if we made it clear that all the unionists were to be regarded as supporting the application for preference?

Mr. SPENCE.—That depends upon other considerations. We have had legal experience of this difficulty. It occurred in connexion with the alteration of our rules, and the registration thereof. That alteration was effected by taking a plebiscite of as many members as we could reach by advertisement, and by an appeal through our Executive. Nevertheless the registrar held that that was not in keeping with the rules of our organization, and consequently our application was refused. Is it not reasonable to assume that the registrar of the Arbitration Court will entertain a similar view? Some honorable members have declared that the amendment has been prompted by a desire to prevent consideration being extended to employés who are not organized. I deny that allegation. In fact, it is a bugbear. It is impossible to know who will be affected by any award of the Arbitration Court. In the Australian Workers' Union, the difference in its membership has totalled 8,000 within two years. That fact is entirely due to the destruction of sheep through the drought. I would further point out that a certain class of individuals engage in shearing only when they cannot obtain other work, so that the number who would be affected by the Government proposal would be very large indeed. Honorable members are aware that Judges are required to deal with the cases which come before them upon the evidence which is presented. Do we not know that a decision is given upon the evidence that is submitted? Although a majority of shearers are members of the Australian Workers' Union, I would point out that the majority of those who would be affected by an award of the Court are not members of that organization. The employers recognise that fact. The Government proposal is the most ridiculous one that has ever been put before Parliament. On the other hand, nobody would suffer by the passing of the Bill in the form in which it has been agreed to by the Senate. We should be perfectly safe in accepting the decision of that House. The Opposition found it necessary to move an amendment, with a view, if possible, of arriving at a compromise, and, I think, that our proposal is a fair one. The Minister of Defence asserts that if we passed the clause as it left this Chamber, it would be a workable one. I do not agree with him. The granting of preference to unionists is absolutely essential to the proper "policeing" and working of the measure. It cannot injure any one. It will not prevent any man obtaining employment. When a man is asked to join a union, he should recognise that it is to his benefit to do so. We have to submit to many things, of which we may personally disapprove, for the good of the whole community, and I think that it would be a good thing if men could be forced to join unions. The Opposition, however, do not ask for anything of the kind. We do not even say that the granting of preference shall be manda-

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tory. Mr. B. R. Wise has pointed out that preference is absolutely essential to the proper working of the State Act, and in view of certain quotations which have been read from statements made by that gentleman, I think it is well to emphasize this point. Those who join a union voluntarily, do so because they know that it will be to their advantage. Men have rarely been coerced to join unions, but where that has occurred, it has proved a good thing for the persons concerned. I am in a position to say that many men are thankful for the fact that they were compelled to join a union. Many who have become managers and foremen in various trades, date their start in life from the time when they were compelled to join a trade union. Yet we have had the Prime Minister roaring about a class of men who object to join a union, although it is to their benefit to become unionists. Such men do not exist. The extraordinary assertion has been made by the Minister of Defence, that because we have voiced the opinions of unions who think that without this amendment the Bill will be unworkable, we are holding out a threat. When the Employers' Federation circulated a very long screed among honorable members, urging them to reject this measure, no one suggested that they were threatening us in any way. It is our duty to see that the workers, in agreeing to come under a measure of this kind, and to forego all their old privileges, shall obtain something in return; we must see that they are not placed in a worse position. All that unionists have said is, that they think they would be far better without such a measure as this would be if the Senate's amendment were rejected, and that unless reasonable provision be made for preference, they will not take advantage of it. I trust that an effort will be made to pass a workable Bill, and that the Government will consent to a reasonable amendment of the preference clause, even if they are not prepared to withdraw their opposition to the proposal made by another place.

Mr. HUTCHISON (Hindmarsh).—I have had a fairly extensive experience of strikes, and have taken part in some of them. I can say, however, that I have never counselled one, but, on the contrary, have done my best to avert such disputes. I was very glad when I found that we were likely to pass legislation for the settlement of disputes by means of conciliation and arbitration; but, so far as I can see, the Government now propose to force upon the unions a Bill which, if carried in the form they desire, will serve only to intensify industrial warfare. My experience as a trade unionist convinces me that that will be the only result. The Prime Minister told us that the amendment moved by the leader of the Opposition was repugnant to him; but I venture to say that the Bill, if passed in the form proposed by the Government, would be wholly distasteful to nineteen-twentieths of the unionists and non-unionists of Australia. The question of preference has been exhaustively discussed, and I have asked the Minister of Defence time after time to tell us how a union would be able to satisfy the Court that its application for preference was approved by a majority of those affected in the industry to which it related. It is one of the simplest things in the world for a lawyer to stand in this House, and say to the unions, "You have the machinery, and can easily ascertain whether you represent a majority." If we are to have such a clause as the Government wish to force upon us, how is the machinery of the unions to be put into operation? As a member of the executive of the Shearers' Union in South Australia, which comprises nearly 3,000 members, I have had some experience of that machinery. I have acted for years as returning officer for the union, and know that it is exceedingly difficult to take a ballot of the members. If I were asked to issue circulars to ascertain the opinion of shearers who were not in the union, how should I be able to find them? That is one question which I submit to the Minister of Defence. Then, how should I be able to ascertain whether this man, or that, was interested in the industry? It would be impossible for me to do so. I would also ask the honorable and learned gentleman to tell me who would be "affected" by an award, so that I might ascertain their opinions. Having settled that question how should I be able to reach these men? The Minister knows that his scheme is impossible, and yet he says that the Government are prepared to accept the principle of majority rule. The Bill will have to be greatly improved if the Government expect that the unions will abide by what may be demanded of them. Under the guise of giving us an

industrial measure, the Ministry are attempting to interfere with the political freedom which unions at present enjoy. This is not a Bill to settle industrial disputes. I listened last night to the Prime Minister as, swelling with indignation, he declaimed in the most eloquent language against those who desired to take away the bread and butter of the non-unionists. But, as the honorable and learned member for West Sydney has pointed out, the right honorable gentleman and his following are prepared to take away the bread and butter of the non-unionists, for whose welfare they profess to be so solicitous, if a union applying for preference has a majority of only one of the number of persons engaged in the industry. Is that the way they are going to humbug and deceive the non-unionists, in the hope that they will vote for them at the next election? It seems to me that they could not make a more serious mistake. Who has prevented us from doing something for the benefit of non-unionists? For years past I have been endeavouring to secure the passing of factory legislation, the creation of wages boards, and better sanitary laws, not merely for unionists, but for the poor women who are wholly unorganized. And who has prevented our securing such legislation? Honorable members sitting opposite. The honorable member for Dalley told us that the reason why he voted against the late Government was that he considered that the Bill was not good enough. Is he going to vote for the measure as now proposed by the Government, or is he going to say that it is unsatisfactory, and that he will vote with the Opposition? We are doing our utmost to see that the position of the workers shall not be made worse than it is, and rather than allow the Bill to pass in the form proposed by the Government, I shall vote against it.

Mr. WILKS.—The honorable member said that before.

Mr. HUTCHISON.—The honorable member and his colleagues were afraid to call for a division on that occasion. Had they done so, the result might have occasioned them surprise. I care for no Ministry when principles are at stake. I am here to stand by my principles, and I shall do so, regardless of what Ministry stands or falls. I certainly shall not say, as the honorable member for Dalley said, "This Bill is not good enough," and then be found voting for it. The Government, by means of a sham and a humbug, hope to deceive the non-unionists; but I am glad to say that the bulk of them are on our side. No one can point to any body of non-unionists who have said, "We want the Bill now offered to us." The Minister of Defence says that no difficulty will be experienced in determining the question of majority, and that the Court will not require an organization applying for preference to do more than make the bald assertion that it represents a majority of those affected. If I were a Victorian employer, and opposed to preference, the first thing I should do on becoming a party to a dispute, would be to retain the services of the honorable and learned gentleman. I am sure that he would gladly argue before the Court that the word "affected" appearing in this clause, means that an applicant for preference should first prove who would be affected by the award. We were told by the Prime Minister that we would leave the non-unionists to the tender mercy of their employers. I wish the right honorable gentleman would tell us what he and his followers have done in the way of legislation for non-unionists. I have mentioned some of the means by which we have sought to improve their condition, and I might say that I have done nearly as much for non-unionists as for unionists. If non-unionists could only recognise that which is in their own interests, they would be glad to be forced, by reason of this or any other measure, to join an organization. What is the respective position of a plaintiff and defendant in a law suit? The Minister of Defence knows that if he paid a bill, and did not obtain a receipt, and were sued for the amount, he would be called upon to prove whether or not he had settled the account. The onus of proof would rest, not upon the plaintiff, but upon the defendant. The latter would be asked for his receipt, and if he could not produce it, he would have to pay.

Mr. McCAY.—But the plaintiff would have to swear that I had incurred the debt, and had not paid.

Mr. HUTCHISON.—At the same time, the Minister would have to prove that he had paid it; the onus of proof would be thrown upon him. That is the position we take up in regard to the question of proof of majority. When unionists demand that provision shall be made for preference, they do not ask for a concession. They ask for something which was to be given them if they threw away their only means to secure redress—the weapon of the strike. Unless the Bill be

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amended as we propose, I shall be disposed to say to the unions, "Stick to the power to strike. You are not in a very good position, but you are better off than you would be under such a measure."

Mr. Wilks.—Most of the unions will not avail themselves of the principle of arbitration under this measure.

Mr. HUTCHISON.—I am not altogether enamoured of the principle of arbitration. As the Prime Minister remarked last night, our Bench up to the present has been pure; but he added that he was not going to say that it would be always so. What has been our experience in the old country? Whenever a quibble is raised in a Court of law there, the unionists get the worst of it. One has only to look at the decision in the *Taff Vale* case to see that.

Mr. Wilks.—The experience in New South Wales is different.

Mr. HUTCHISON.—I admire the Judge who is administering the New South Wales Act; but I would not trust a man like the Chief Justice of that State, after his public utterances in regard to the measure, to do justice to the workers. Mr. Justice Cohen has stated that the giving of preference to unionists has not, and will not, injure any one. Why is it, if the principle is such a bad one, that when the last general elections were held in New South Wales the Conservative Party did not stump the country from end to end for its repeal? The fact is, that it is a good principle, and that all parties recognise that. Under this Bill, however, we shall have bogus unions registered; and the Prime Minister himself has not spoken in very respectful terms of the Machine Shearers' Union. I cannot deal with the amendment now before the Committee, without incidentally referring to the next amendment, which provides that unionists are not to get preference if they take political action. The Prime Minister yesterday showed what the real trouble is. Honorable members opposite see that the unions have become strong political bodies, and they wish to strike a blow at them. But the members of the unions are different from what I take them to be, if they are going to give up their political freedom in order to obtain preference.

The CHAIRMAN.—This is more than an incidental reference to the next amendment.

Sir John Forrest.—What is the honorable member fighting about?

Mr. HUTCHISON.—We are fighting for what had the right honorable member's approval a few weeks ago.

Sir John Forrest.—Both Houses have agreed about the political matter.

Mr. HUTCHISON.—Both Houses have not agreed about it. If they had——

The CHAIRMAN.—The amendment before the Committee is that which deals with preference to unionists.

Mr. HUTCHISON.—Yes, but we are discussing whether we shall agree with the other House.

The CHAIRMAN.—The honorable member knows that that is a matter which is affected by the next amendment, which I ask him not to debate now.

Mr. HUTCHISON.—Am I not at liberty to say that both Houses have not agreed?

The CHAIRMAN.—I am not preventing the honorable member from saying that.

Mr. HUTCHISON.—I am glad that the two Houses are not in agreement, and I hope that they will not agree on this subject. If I thought that by prolonging the debate, I could bring honorable members into a better frame of mind, I should be only too glad to prolong it. The Prime Minister told us last night that the object of the Senate's amendment was to force men into unions for political purposes. I deny that. Men are going to be forced into unions by the Bill, but it does not say that they shall be political organizations. What honorable members wish to do is to use the Bill to prevent organizations from having political purposes.

The CHAIRMAN.—The honorable member must not discuss the Bill as a whole.

Mr. Higgins.—I submit that the honorable member is referring to the next amendment as a reason why the present amendment should not be passed as it stands. The two are so interlaced that he finds it impossible to distinguish between them.

The CHAIRMAN.—I am not objecting to incidental references to the next amendment, but the honorable member must not continually allude to the Bill and its purposes. He must confine his remarks to the amendment before the Committee.

Mr. HUTCHISON.—I have not said a word in regard to other clauses of the Bill than that which we are now discussing. If the Chairman rules that I must not mention the Bill, I would point out that every previous speaker has mentioned it a dozen times. Surely I may refer to the clauses being in the Bill?

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The CHAIRMAN.—I have not objected to that.

Mr. HUTCHISON.—I have no desire to infringe the rules of debate, but it is impossible to discuss the amendment without incidentally referring to the next one, which provides that unions are not to get preference if their rules allow them to take part in politics. The effect of that would be that the Australian Workers' Union—of whose executive committee I am a member—would have to hold a meeting, not in Adelaide, but in Sydney, to alter its rules, in order to register, and before that could be done, a bogus union, such as has been spoken of in the strongest terms of disparagement by the Prime Minister, might register, and obtain preference. We seriously object to placing ourselves under a Bill which allows that to be done, and I shall not vote for the measure if it contains these objectionable provisions. It has been said that the ex-Prime Minister accepted these provisions. I did not do so, however, neither did the majority of the Labour Party. I am sorry that the ex-Prime Minister accepted them, but he did so because he knows the anxiety of the unions, of the public, and of some of the employers to obtain a Commonwealth Arbitration Bill, and, therefore, he conceded as much as he could. He would strike them out to-morrow if he could do so, but he has not a sufficient number of followers behind him. The honorable member for Dalley, who objects to these provisions, will not come to this side and help to make the Bill better. The Minister of Defence has complained that we say that preference requires no justification. Why should it? Does he think that the unions should give up all that they possess—and, Heaven knows, that is very little——

Mr. McCAY.—I said that there was justification for it, if it were properly safeguarded.

Mr. HUTCHISON.—The honorable and learned gentleman wishes to safeguard it in the interests of the non-unionists. But if there were 2,000 men in an industry, of whom 1,001 were members of a union, there would be no security for the other 999.

Mr. McWILLIAMS.—Would the honorable member give preference to a minority?

Mr. HUTCHISON.—Unless the Bill provides for preference being given to unionists, members of unions will be dismissed all over the Commonwealth. We do not wish to coerce any one to join unions. That is not done at the present time; but it is the object of the Bill. In my opinion, the measure will do the greatest injury and injustice to the trade unionists who, as the Prime Minister has admitted, have done such a great work for their fellows. We have been accused of having accepted some of these provisions, but we have accepted only what we could not help accepting. Honorable members must not think that I am satisfied because I am prepared to accept the amendment now proposed by the leader of the Opposition. That will not induce me to vote for the Bill. There is another provision of more importance than this. On the Government side there are over a dozen members who are entirely opposed to arbitration, and they are now trying to thrust upon us a Bill which we do not want. If they were true to their pledges, however, they would help us to throw the Bill under the table, rather than pass it as it stands. The Minister of Defence has said that the effect of the New South Wales arbitration legislation has been to force employés into the unions, and he fears that under this Bill, if employés are forced into unions, they will be used for political purposes.

Mr. McCAY.—I did not say that. I said that the figures showed that a majority of the available men were members of unions.

Mr. HUTCHISON.—I took a note of the Minister's words, which were to the effect that the New South Wales Act had been instrumental in forcing the men into unions.

Mr. McCAY.—I do not think I said that.

Mr. HUTCHISON.—I am satisfied as to the correctness of my notes taken at the time. If the Minister's statement be correct, I should like to know how it is that many thousands of workers are still non-unionists. I am sure that there is nothing in the contention of the Minister. Those who desire to take advantage of the Bill must join the existing unions or form others, yet the Minister is unwilling to grant preference to unionists. He says that bogus unions will spring up like mushrooms if the amendment of the honorable member for Bland is adopted. We do not think so. If, however, the Minister thinks that the Bill will afford encouragement to bogus unions, he should do everything he possibly can to assist us to prevent that result from being brought about.

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Mr. McCAY.—That is one reason why we oppose the amendment.

Mr. HUTCHISON. — The Minister says, further, that the honorable member for Darling Downs has shown that in New South Wales the unionists are in the majority. If so, I should like to know what all the fuss is about? I predict that in every case which comes before the Court, the employers will seek to show that the applicants for preference are in a minority, and, in many cases, the proof to the contrary will not be forthcoming. The experience which has been gained in connexion with the Shearers' Union in South Australia should be sufficient to demonstrate that it is difficult to say who are or are not engaged in that occupation. Unless some radical amendment is introduced into the Bill the unions will refrain from registration under it. If serious industrial warfare occurs—and that is what I fear, because I am proud to say that the men of Australia have realized the advantage of standing up for their rights—honorable members opposite will be to blame. Our working men have the same spirit that induced our forefathers in the old country to fight for their rights, even at the cost of being shot down in the streets or transported for life. The time is rapidly approaching when, if the labouring classes of Australia cannot obtain just treatment by peaceable means, they will adopt some other method to attain their ends.

Mr. KNOX.—Is the honorable member uttering that threat as the mouth-piece of his party?

Mr. HUTCHISON.—Threat! I would utter any threat against those who seek to take away my political liberty. I am prepared to adopt any course that may be necessary to maintain my rights and my freedom. Many of my forefathers died in the cause of liberty, and I am glad to say that we have men in Australia who are prepared to uphold their privileges at all costs. The executive officers of the unions would be the last to push matters to extremes except under sheer compulsion. They recognise that an injury inflicted upon the employers must react upon themselves, and they desire to arrange matters amicably. If any serious industrial trouble comes upon the Commonwealth—worse than any we have had in the past—the blame will be upon the heads of honorable members opposite.

Progress reported.

ADJOURNMENT.

FIRE BRIGADE TELEPHONES: DESTRUCTION OF TREES BY THE TELEGRAPH DEPARTMENT.

Motion (by Mr. McLEAN) proposed—

That the House do now adjourn.

Mr. MAUGER (Melbourne Ports).—I desire to bring under the notice of the Postmaster-General a matter of considerable importance. It is reported in to-day's newspapers that the Post and Telegraph Department proposes to take some very drastic steps in connexion with the fire brigade telephone and fire alarms. After years of toil, expenditure, and experiment, we have established a fairly complete fire brigades system, but if the proposals of the Department are carried out a most important institution will receive a serious set-back. I suggest that the Postmaster-General should call a conference of the Superintendents of Fire Brigades in each of the States, to discuss matters with him before he takes any definite step, and, further, that in the event of his determining to make any change in regard to the fire alarms, he should give the House an opportunity to consider his proposals.

Mr. AUSTIN CHAPMAN (Eden-Monaro).—I wish to bring under the notice of the Postmaster-General the circumstances under which trees are being destroyed by the officers of his Department in some of the country towns in New South Wales. In some of these places the telegraph lines are carried over small country parks or along roads close to such parks, and the officers of the Department are upon the pretext that they are interfering with the wires, cutting some of the trees to such an extent as to disfigure them. It seems to me that the Department are treating the residents of these towns most inconsiderately in asking them to pay for the removal of the telegraph posts if they wish to save the trees. We should do everything we can to encourage tree-planting, and should show every reasonable consideration for those who incur expense in beautifying the streets. In the town of Candelo, in my electorate, several of the residents have subscribed £7 10s. towards the removal of certain telegraph posts which the Department say cannot be shifted at a smaller outlay than £14 or £15. I am not making any complaint against the Minister, but I merely ask him to exercise that common sense and courage which distinguish him. I trust

that, even though he may have to release himself from the trammels of red-tape and establish a new precedent, he will insist that justice and fair treatment shall be meted out to the persons concerned. It is sheer vandalism to cut down trees which have been planted at such great cost, and which combine so much utility with ornamentation. I am sure that if the Minister took the course I suggest he would be cordially supported by honorable members.

Mr. HENRY WILLIS (Robertson).—I notice that in some cases handsome trees have been destroyed or disfigured merely because the telegraph officials wished to avoid the trouble entailed in shifting a telegraph post or two for a few yards. Arboriculture is not encouraged in New South Wales to the same extent as in some parts of Victoria, and those townspeople who have been sufficiently public-spirited to plant trees in their streets should be protected against such acts of vandalism as those which are often committed by the officers of the Department. I hope the Minister will give the matter his most serious attention.

Mr. PAGE (Maranoa). — I was one of those members who objected to the provision in the Post and Telegraph Act authorizing the Department to lop trees which interfered with telegraph lines. The Committee was divided upon the question, but the provision was agreed to by an overwhelming majority, of whom the honorable member for Robertson formed one.

Mr. HENRY WILLIS.—I did not vote in favour of vandalism.

Mr. PAGE.—If I remember rightly, the honorable member for Robertson was in favour of that provision. I think that the honorable and learned member for Ballarat was in charge of the Bill at the time. Sir Malcolm McEacharn fomented opposition to it, but I find that honorable members who wished to alter the Act——

Mr. HENRY WILLIS.—We wish common sense to be applied to the matter.

Mr. PAGE.—The Minister has no more right to infringe the law than has any other member of the community.

Sir JOHN FORREST.—The position taken up by the Government is ridiculous.

Mr. PAGE.—When the Bill was under consideration, the right honorable member for Swan was one of the ablest supporters of vandalism. Sir Malcolm McEacharn foretold what would happen. I appeal to honorable members to be consistent in this matter.

Mr. WEBSTER (Gwydir).—I wish to add a few words to the appeal of the honorable member for Eden-Monaro. I do not propose to review the action of the last Parliament, or to comment upon that of the present Parliament. I contend that the law to which reference has been made by the honorable member for Maranoa is working harshly in the case of country districts. In one town in my own constituency, I am aware that the people have incurred considerable expense in planting the main street with good shady trees. Nevertheless, those trees have been made an eyesore to the residents, and confer no benefit upon them whatever. Had the telegraph poles been erected a little earlier the lopping of the trees would have been avoided. This is a serious matter to persons who have to put their hands into their pockets to improve the town in which they live, and I trust that the Government will pay some attention to it.

Mr. McCOLL (Echuca).—I desire to indorse the remarks of the previous speakers. It seems to me that there is a general complaint in regard to this matter. This House expects that in the administration of any Act regard will be paid to the local circumstances which obtain. In districts where the summer temperature ranges from 80 to 100 degrees in the shade, persons appreciate the advantage of shady trees. But after these trees have attained the growth of many years, the Department is in a position to say to the particular locality interested, "You must pay us so much, otherwise the trees will be destroyed." In my own district I am aware that a demand was made for the payment of £17 or £18 for removing telegraph poles. In this connexion, I trust that the common sense of the Minister will prevail, and that before any such action is taken in the future a fair understanding will be arrived at with the local residents.

Sir JOHN FORREST (Swan).—I wish to impress upon the Postmaster-General that this vandalism should be stopped. In nearly every town in Australia some expenditure has been incurred in connexion with the planting of trees. In many of these towns the trees are being disfigured, if not killed, by the Post and Telegraph Department. I should like the Postmaster-General to issue instructions that trees planted by municipalities shall not be touched without the consent of the local governing body.

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Mr. SYDNEY SMITH (Macquarie—Postmaster-General).—The complaint of the right honorable member for Swan and other honorable members has my strongest sympathy. I have no desire to see the trees in any of our public parks destroyed.

Mr. AUSTIN CHAPMAN.—The Minister can rise superior to the law.

Mr. SYDNEY SMITH.—There are two sections of the Post and Telegraph Act which deal with this question.

Sir JOHN FORREST.—The law is not compulsory.

Mr. SYDNEY SMITH.—The Post and Telegraph Act provides, in subsection 2 of section 85, that—

> Where, subsequent to the erection upon any footpath, road, or highway, of any telegraph line, it becomes necessary to remove the same owing to any alteration of alignment or other action on the part of a municipal council or local authority, the cost of such removal shall be borne by the municipal council or local authority concerned.

Section 87 provides—

> 1. Such trees or underwood as obstruct, or, in the opinion of the Postmaster-General, or other officer duly authorized by him, are likely to interfere with the proper working of any telegraph line, if growing upon Crown lands, or upon any road, street, or highway, may, after notice to the local or other authority having the care and management thereof, be cut down or lopped, as may be deemed necessary, by the said Postmaster-General or such officer, after consultation with such authority, and if growing upon private lands within twenty feet of any such line, then the proprietor or occupier of such private lands shall cut down or lop the same as and when required so to do by the said Postmaster-General or such officer, and upon default the said Postmaster-General or such officer may enter upon the said private lands and cause such trees and underwood to be cut or lopped as may be deemed necessary.
>
> 2. This Act shall be sufficient to indemnify the Postmaster-General and his officers, servants, agents, and workmen, and all other persons whomsoever for what he or any of them shall reasonably do by virtue of the powers by this section granted.

That is the law which has been acted upon.

Mr. HENRY WILLIS.—The Department has used no intelligence.

Mr. AUSTIN CHAPMAN.—Will the Minister introduce a Bill to repeal those provisions of the Act before the prorogation?

Mr. SYDNEY SMITH.—I am afraid that I cannot entertain any such proposal. Concerning the statements of the honorable member for Melbourne Ports, I can only say that I am desirous of bringing about uniformity in connexion with the regulations which are applicable to fire brigades. It has been agreed that a 25 per cent. reduction shall be made upon telephone lines for fire brigade purposes. But before anything is done in that direction, I have instructed my secretary, and the electrical engineer, to confer with a couple of representatives of the Fire Brigades Board for the purpose of inquiring into the dispute which has occurred.

Question resolved in the affirmative.

House adjourned at 4.13 p.m.

House of Representatives.

Tuesday, 6 December, 1904.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

PAPER.

Mr. REID laid upon the table the following paper:—

> *Précis* of replies received from various institutions and persons with regard to the expediency of decimalizing the coinage of the Commonwealth on the basis suggested by the Select Committee appointed by the House of Representatives.

Ordered to be printed.

The CLERK laid upon the table the following paper:—

> Return to an Order of the House, dated 24th November, 1904, as to the postal, telegraphic, and telephonic business at certain Queensland post offices.

PUBLIC SERVANTS' INCREMENTS.

Mr. TUDOR (for Mr. BATCHELOR) asked the Prime Minister, *upon notice*—

> Whether he will inform the House as to the opinion of the Attorney-General on the question of increases to Commonwealth public servants claimed under State enactments?

Mr. REID.—In reply to the honorable m mber's question, I have to state—

> An opinion has not been received from the Attorney-General yet. In view of the importance of the question involved, the far-reaching effects on the Commonwealth Public Service, and the conflict of legal opinion, it is probable the matter may have to be decided by the High Court, in which eventuality it may not be desirable to furnish the opinions of the Crown Law officers.

CADET FORCES.

Mr. KNOX asked the Minister of Defence, *upon notice*—

> 1. In view of the fact that honorable members of this House have almost unanimously expressed the opinion that the cadet movement should be placed upon a comprehensive and permanent

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basis, will he inform the House what steps he proposes to take to give effect to that opinion?

2. Will the Minister say if he is in a position to express his approval of the scheme which was formulated as a result of the recent conference of representatives from the various States?

Mr. McCAY.—The Government fully recognise that a strong desire exists both inside and outside the House for the placing of our cadet movement upon a permanent basis. I have been making full inquiries as to how that can best be brought about, and am ready to submit certain proposals to the Cabinet for discussion at the Premiers' Conference in February next, because it will be necessary to secure the co-operation of the States, in order to obtain a reasonable degree of economy, and to take advantage of the existing organizations in their public and private schools. I have no reason to suppose that we shall not be able to come to a satisfactory arrangement. The difficulty, of course, is largely want of funds, and we must not stint necessary expenditure in the present to provide for future development. I assure the honorable member that personally I am heartily in sympathy with the cadet movement, as are the Government as a whole. We hope to be able to submit, on the next Estimates, proposals which will provide for the beginnings of a comprehensive scheme. My reply to question No. 2 is that I have looked carefully through the scheme recently formulated. It is open to several criticisms, the chief of them being that it provides for the establishment of a miniature army rather than a system of training introductory to the assumption of the duties of manhood, but there are some excellent ideas in it, of which advantage will be taken in due course.

MILITIA OFFICERS.

Mr. CROUCH asked the Minister of Defence, *upon notice*—

Whether it is proposed to amend, and in what direction, the statutory rule by which militia officers may be transferred to the Permanent Forces?

Mr. McCAY.—It is not proposed to amend the statutory rules.

CONCILIATION AND ARBITRATION BILL.

In Committee (Consideration of Senate's amendments resumed from 2nd December, *vide* page 7837):

Clause 40—

The Court, by its award, or by order made on the application of any party to the proceedings before it, at any time in the period during which the award is binding, may—

. . . .

(*b*) direct that as between members of organizations of employers or employees and other persons offering or desiring service or employment at the same time, preference shall be given to such members, other things being equal.

. . . .

And provided further that no such preference shall be directed to be given unless the application for such preference is, in the opinion of the Court, approved by a majority of those affected by the award who have interests in common with the applicants.

. . . .

Senate's Amendment.—Leave out—"And provided further that no such preference shall be directed to be given unless the application for such preference is, in the opinion of the Court, approved by a majority of those affected by the award who have interests in common with the applicants."

Upon which Mr. REID had moved—

That the amendment be disagreed to.

And upon which motion Mr. WATSON had moved by way of amendment—

That the following words be added:—"but that the word 'unless,' line 2, be left out, with a view to insert in lieu thereof the word 'if,' and that the word 'approved,' line 14, be left out, with a view to insert in lieu thereof the word 'opposed.'"

Mr. WATKINS (Newcastle).—In considering the amendment of the Senate, we are dealing with the basic principle of the Bill. I wish, first of all, to draw the attention of the Committee to the fact that when the proviso on the motion of the honorable and learned member for Corinella was inserted in this Chamber, there was practically no discussion upon it. Furthermore, the only reference made to it by the Prime Minister was one in which he pointed out the impracticability of carrying it into effect. He showed that it was impossible for any Court to obtain an expression of the opinion of an absolute majority of those engaged in any industry whose operations extended over the whole Commonwealth. If that was true when the proviso was inserted, it is true to-day. But, while the Prime Minister spoke of the possibility of an industrial dispute occurring which might extend throughout the length and breadth of Australia—and he even included the pearl-shelling industry—he tried to support his proposal that the Committee should disagree to the amendment of the Senate by saying that only those engaged in three or four industries, the majority of the employés in which belong to trade unions, are likely to come

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within the scope of the Bill. I admit that it may be fairly argued that the intention of the Constitution was that a Federal Arbitration Bill should cover only a few of the large industries whose operations extend throughout the Commonwealth, but the provisions of the Bill apply, with the one or two exceptions to which we agreed last week, to every industry in Australia. That being so, the position of the Prime Minister, that the disputes with which the Court will deal will be restricted to one or two, is untenable. The bakers' employés, for instance, have a federated union, and it is quite possible that a dispute between them and their employers might, by extending beyond the borders of any one State, come within the provisions of the measure. Will not any of the labour organizations which extend beyond any one State be in a position to bring cases before the Court for settlement? Yet we are asked to provide that the trade unions involved must prove that they represent the majority of those who will be affected by the award.

Mr. Fuller.—What difference would that make to any of the big industries?—take the coal mining industry, for instance.

Mr. WATKINS.—I grant at once that it will not apply to the coal miners; nor will it apply to the seamen. It may, however, apply to the wharf labourers, to the shearers, or almost every other industry that can be mentioned. The coal mining and shipping industries are perhaps the only two in which there would be no difficulty on the part of the unions in proving that they represented a majority of those who would be affected by the award. In any case, however, why should a trade union be called upon to prove that it represents a majority? I think that the term "preference" is wrongly applied, because all that is asked for is that a man should be enabled to obtain the employment to which he is entitled. Why should the unions, in that case, be called upon to prove, by the votes of those outside their organizations, that they are entitled to preference? In my experience, which, I think, has been shared by every man who has been intimately connected with the industrial life of Australia, those who take the most prominent positions in connexion with trade disputes, require special protection in times of trouble. It is necessary that employment shall be secured for them. That principle was recognised in New South Wales in connexion with the very first dispute that came before the Arbitration Court, when it was decided that every man who had taken the place of a striker should be discharged, and that the members of the union should be employed up to the full strength of their membership before others were taken on. Legislation of this character cannot be carried out without trade organizations. These cannot be dispensed with on the side either of the workmen or of the employers. If that be conceded, why should those who do not expend any money in maintaining the organizations necessary to insure the effectiveness of the measure, be consulted in a matter of vital importance? If, as is contended by the Prime Minister, the organizations most likely to resort to the Court will embrace 90 per cent. of those engaged in the industries they represent, why should he be so anxious to embody in the Bill the proviso to which such strong objection is taken by honorable members on this side of the Chamber? If the proviso is to be of no avail, why does not the Prime Minister give way? I believe that the persistence of honorable members opposite is due, not to any special sympathy with the non-unionists, but to the knowledge that if the proviso be embodied in the Bill opportunities would be afforded the employers to ruin the trade unions.

Mr. Conroy.—Cannot the employers do that now?

Mr. WATKINS.—Not so well.

Mr. Conroy. — How could they do it under the Bill?

Mr. WATKINS.—To-day the members of the trade unions have the power to stand together and refuse to work, but they are to be asked to give up that right, and honorable members opposite are seeking to clothe the employer with power to ruin the unions.

Sir John Forrest.—Under the Bill the employers could not lock out their men.

Mr. WATKINS.—What is to prevent any employer, when once the unions have been deprived of the right to strike, from making all his hands sign individual agreements? That could easily be done, and no man in his employment for the time being could refuse to work.

Mr. Conroy.—Does not the honorable member think it is disgraceful to deprive a man of the right to refuse to work?

Mr. WATKINS. — The honorable and learned member admits that it is a disgraceful thing to deprive a man of the right to refuse to work, and yet, in order to retain

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the Government in office, he is supporting them in depriving the men of the right to strike, and in taking away from them liberty in other directions. I believe in compulsory arbitration, but only when it is fairly and justly applied to both sides. I am prepared to trust the Court without laying upon them any particular restrictions.

Mr. CONROY.—I thought that the honorable member was opposed to trusting the Court in the matter of preference.

Mr. WATKINS.—No; but the amendment which the honorable and learned member is supporting shows that he is opposed to trusting the Court.

Mr. CONROY.—I had nothing to do with the Bill. I do not approve of it.

Mr. KELLY.—This measure ought to be called the "Trust-the-Court-Bill."

Mr. WATKINS.—Do I understand the honorable member to say that he would not trust the Court?

Mr. KELLY.—No. I am quite prepared to trust the Court; but I wish to give it a few directions.

Mr. WATKINS.—I wonder what the Chief Justice of New South Wales would say if the honorable member were to write to him saying that he was quite prepared to trust the Court, but desired to give it a few directions.

Mr. KELLY.—Are not all the Courts constituted to administer the law?

Mr. WATKINS.—Admittedly; but honorable members who desire to direct the Court that they shall do only one thing are not prepared to trust it.

Mr. KELLY.—All Acts of Parliament give directions to the Court.

Mr. BATCHELOR.—You cannot trust the Court, and bind it down at the same time.

Mr. WATKINS.—Exactly. I do not think the honorable member for Wentworth can get away from that position. The unions in my own district have enjoyed preference all along the line. They have enjoyed a preference in most instances, with the good wishes of their employers. Much as honorable members opposite may think that they will gain the favour of employers by taking up the attitude which they are adopting, I may tell them that so far as the real industries of Australia are concerned, employers have long ago realized that it is more profitable and better for them to engage trade unionists than to bother themselves about engaging haphazard men who do not belong to unions. I say that so far as the coal-mining industry is concerned, I do not know that the preference clause with the limitation which has been inserted in it at the instance of the Government would trouble unionists very much. But is it to be suggested that I should vote to take away from that particular union any power which it may at present enjoy of enforcing a preference on behalf of its members? I decline to sanction the insertion of a provision in this Bill which will have the effect of depriving that union of any rights which it may already possess.

Mr. FULLER.—What trouble would the Coal Miners' Union experience in establishing the fact that its members constitute a majority of those engaged in that industry?

Mr. WATKINS.—It would experience no difficulty.

Mr. JOSEPH COOK. — What unions would?

Mr. WATKINS.—Upon the authority of one who knows—I refer to the honorable member for Darling—the Australian Workers' Union would. Why should that organization be called upon to prove that its members constitute a majority of those engaged in the shearing industry? Did the honorable member for Parramatta, when acting as secretary of a Coal Miners' Union, the members of which always demanded a preference, ever bother to inform the manager of the particular mine in which they worked whether or not they comprised a majority? He has had experience of a time when they did not constitute a majority.

Mr. JOSEPH COOK.—What experience does the honorable member refer to? There is no analogy between the two cases.

Mr. WATKINS.—As secretary of a Coal Miners' Union the honorable member was a thorough believer in the principle of granting a preference to unionists, and he would fight for it to-morrow if he again occupied a similar position. In his capacity as a legislator, however, he is prepared to take away from that union the preference which its members enjoy, unless they can establish the fact that they comprise a majority of those engaged in the industry.

Mr. MCWILLIAMS.—It seems to me that nobody wishes to have this Bill now.

Mr. WATKINS.—If the extension of a preference to unionists is to be limited in the way that is proposed by the Government, so far as I am concerned the Bill may go by the board. If it is to be carried in its present form, I shall have no

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compunction whatever in voting against the adoption of the report of the Committee. The insertion of the proviso is tantamount to undermining trade unionism. It leaves the door open for unionism to be absolutely ruined if employers choose to take advantage of it. Moreover, it ties the hands of trade unionists whilst their throats are being cut.

Mr. Joseph Cook.—Where is the proof of that statement to be found?

Mr. WATKINS.—If the honorable member had been present a little while ago he would have known where the proof lay. Seeing that it is necessary to repeat my argument for his edification, may I ask what there is in this Bill to prevent any employer, or combination of employers, from agreeing to engage employés as individuals, with the knowledge that they have no power to strike?

Mr. Joseph Cook.—How will the Bill prevent that?

Mr. WATKINS. — I am telling the honorable member. This measure is of no value in the absence of trade unions. It is absolutely useless without those organizations, seeing that effect can be given to its provisions only with their aid.

Mr. Fuller. — Does the honorable member mean "existing" trade unions?

Mr. WATKINS. — I mean any trade union. Of course, if the honorable and learned member wishes to substitute for the union in his own district a similar organization to the Machine Shearers' Union——

Mr. Reid.—That is a very unfair suggestion.

Mr. WATKINS.—What is unfair?

Mr. Reid. — The suggestion that the honorable and learned member for Illawarra wishes to form a bogus union.

Mr. WATKINS.—That has always been my candid opinion of the honorable and learned member. But it must be recollected that the insinuation came from his own lips.

Mr. Fuller. — There was no insinuation.

Mr. WATKINS. — Then why did the honorable and learned member refer to the "existing" trade unions? What other organizations had he in his mind?

Mr. Fuller.—The organizations under this Bill.

Mr. WATKINS.—What are they? If those organizations are identical with the existing trade unions I fail to see the motive for his first interjection. I repeat that, under the Bill, it will be possible for any trade union to be ruined by employers engaging its members as individuals, and compelling them to sign a certain form of agreement. Of course, the men would require to have a reason for discontinuing work. It may be true that they could cease work as individuals—that they could give notice of their intention to relinquish their employment as such. But the members of a trade union would not be in a position to cease work simply because an employer discharged a unionist and engaged a non-unionist in his place. Under the amendment proposed there is nothing to prevent any employer from discharging individually every unionist in his employ, and thus taking away the power of keeping the unions together.

Mr. Kelly.—I thought that we had settled the question of the preference of employers for unionists.

Mr. WATKINS.—What I said in regard to one or two particular industries was the result of my own experience. Does the honorable member imagine that those industries are the only industries which will come under the operation of this Bill? Does he not know that he, himself, has referred to one industry which will most probably be brought within its purview? The difficulties which will arise under its operation are, in my opinion, of a very different character from those which the honorable member seems to anticipate.

Mr. Kelly.—I have not expressed any opinion as to the organizations which will come under the operation of the Bill.

Mr. WATKINS.—I do not think that the honorable member ever had an opinion to express. He is the very last individual to whom we should look for information upon questions affecting industrial legislation.

Mr. Kelly.—That is very "rough."

Mr. WATKINS.—I do not wish to be "rough," and the honorable member is aware of that. I have nothing further to add, because, upon this question my mind has been made up for some considerable time. If the proviso proposed by the Government be carried, the measure may be cast aside so far as I am concerned.

Mr. McWilliams.—Would the adoption of the amendment submitted by the leader of the Opposition save the position?

Mr. WATKINS.—That amendment is not at all to my own liking, and

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I shall certainly vote against the Bill in the form in which it was sent up to another place.

Mr. JOSEPH COOK.—Does the honorable member say that he would vote against the Bill if the amendment moved by the leader of the Opposition were carried?

Mr. WATKINS.—Certainly not. I say that the amendment moved by the honorable and learned member for Corinella, when the preference clause was previously under consideration, would destroy the whole basis of the Bill, and cause its title to be a misnomer.

Mr. JOSEPH COOK.—In what way would the amendment moved by the leader of the Opposition modify that?

Mr. WATKINS.—I think it is a modification.

Mr. JOSEPH COOK.—For the better?

Mr. WATKINS.—Certainly, although I do not think that it goes far enough.

Mr. ROBINSON.—Does not the Opposition proposal mean a compulsory preference?

Mr. WATKINS.—I hold that if we are to depend on organizations to render this legislation effective, their members have a right to preference, as against those who do not contribute to such organizations, or do anything to improve their own position. Non-members of organizations will not help in any way to carry out the objects of this measure, and I fail to see the justice of consulting persons who will be of no assistance to us in this respect. There is nothing in the Bill that would prevent those men sharing in its benefits if they chose, like others, to organize. Every one admits that without organization, the Bill can be of no service. In the absence of organization, awards against the workmen could not be enforced. We expect members of organizations to carry out the awards of the Court, yet we are asking them, in effect, to take a poll to determine whether those outside their own ranks represent a majority of the persons affected.

Mr. SKENE.—The Bill does not say anything about a poll being taken.

Mr. WATKINS.—I am aware of that, but in what other way would applicants for an award be able to show to the satisfaction of the Court that they represented a majority of the persons affected? The records of the number of persons engaged in our chief industries are largely compiled from the rolls of trade unions. Does not the honorable member recognise that an application for preference would not be questioned by a non-unionist if he were not induced to take action by some employer? Under the clause as it left this Chamber, any man might lodge an appeal against the decision of the Court, and claim that he represented a majority of the persons affected. How would it be possible in such circumstances to determine which side had the majority, unless such a poll as was suggested by the Prime Minister were taken? By the time this had been done, the dispute in question might probably have been forgotten. Turning to New South Wales, we find that the State Act has been enforced against workers by the aid of the very trade unions whose services honorable members opposite are so slow to recognise. Where have we had a clearer instance of this than in connexion with the Teralba dispute in my own electorate? In that case, a few of the men did not desire to obey the award of the Court, but within a fortnight of the giving of the decision they had to return to their work, because they knew that they could not obtain any support from their own union. As a matter of fact, the union advised them to conform to the award. I know the circumstances of that case so well that I am sure that if an attempt had been made by the employers under any other circumstances, to impose such conditions the workers, not only in the two collieries in question, but in all the collieries in the district, would have laid down their tools within forty-eight hours. Yet we are told that trade unions that have spent their funds to the general good of their members and of the workers generally should not receive preference. We ought not to forget that everything they do to improve the position of their members benefits the men outside their own ranks.

Mr. LIDDELL.—And yet the miners of Newcastle are asking for a higher wage, although the price of coal has gone down.

Mr. WATKINS.—The honorable member ought to know that these men can manage their own business as well as can any other body in the country, and that their case must be dealt with by the Conciliation and Arbitration Court. They are prepared to subscribe more liberally to the objects which they have in view than would the honorable member or any of his friends to any movement for their own benefit. The conditions operating in the industry are such

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that we can well leave it to those concerned on both sides to have the matter decided by the Court without any interference on our part. The wages paid in the industry are, to a large extent, governed by the price of coal, but there are also other important conditions which bear upon the question, and the workers must certainly be given credit for knowing something whenever they take action.

Mr. MCWILLIAMS.—They can look after themselves.

Mr. WATKINS.—They can to a fair extent. I desire to say, in conclusion, that I reserve to myself the right to vote in any way I think best upon any amendment of this or the next clause, and to take any action which I think will be in the best interests of the Bill and of those whom it is designed to benefit.

Mr. JOSEPH COOK (Parramatta).—I gladly respond to the challenge of the honorable member who has just resumed his seat. I am pleased to have an opportunity to say one or two words in reply to some statements made by him, and by other Labour Party members, who have spoken during the debate. In the first place, I wish to say that "Things are not what they seem" in connexion with this matter. Honorable members opposite are really fighting the wrong clause. If they would only be frank, they would admit that it is not this clause that is giving them trouble, but clause 55. If we were on our proper ground we should not be fighting this clause, which is not vital, but the clause which I have just mentioned.

Mr. WATKINS.—Will the honorable member vote for clause 55 when it is considered?

Mr. JOSEPH COOK.—The point that constitutes the whole trouble with honorable members opposite is not now before the Committee to be voted upon. The chance of dealing with it has already gone, and it has gone at the initiation of the honorable members opposite, who are now kicking up all this fuss about it—gone in consequence of a provision in the Bill which they themselves framed, and induced the House to carry through for them.

Mr. WATKINS.—I do not take any responsibility for that.

Mr. SYDNEY SMITH.—The honorable member's leader accepted it.

Mr. WATKINS.—That is his business.

Mr. JOSEPH COOK.—The honorable member voted for it, and is bound to take his share of responsibility.

Mr. WATKINS.—Certainly not.

Mr. JOSEPH COOK.—He voted for it, and surely will take responsibility for his vote. That is what I am asking him to do. It comes to this—that the late Government, in order to remain in office, submitted to amendments in which they did not believe. Is that what the honorable member would have us understand?

Mr. WEBSTER.—Some members of the honorable member's present party are voting for a whole Bill in which they do not believe.

Mr. JOSEPH COOK.—Is that an answer? The late Government need not have voted for any part of the Bill, unless they believed in it. They could have done what they subsequently had to do—leave office; and if they had left office over the clause to which I have referred, they would have resigned in connexion with the matter that is now giving them all this trobule.

Mr. WEBSTER.—What is that?

Mr. JOSEPH COOK.—The political clause. The opinions of honorable members opposite — or, rather, not their opinions, but the opinions of the organized bodies which they represent — differ as widely upon this question as they can possibly differ upon anything. The opposition to the Bill has, I think, been initiated principally by the Australian Workers' Union societies, which are political organizations. They always have been, and profess to be political organizations.

Mr. RONALD.—And they are always going to be.

Mr. JOSEPH COOK.—That is as it may be. I am merely pointing out the facts. The honorable member for Southern Melbourne does not know them, and therefore he ought to listen. The union represented by my honorable friend, who has just resumed his seat—the Coal Miners' Union of Newcastle, which is, I think, the most powerful, and also, I think, the best organized association in Australia—has always persistently refused to identify itself as an organization with politics. The matter has been discussed time and again, and its members have always deliberately refused to identify themselves with the political labour movement in New South Wales. The members have their labour leagues outside their union, but they keep their industrial and their political affairs as widely apart as they possibly can be, and I think wisely so.

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Mr. WATKINS. — But at the same time they vote thousands of pounds for political purposes, apart from electing members to Parliament.

The CHAIRMAN. — We are not now dealing with the political objects of unions.

Mr. JOSEPH COOK.—I will not pursue the matter further, except to point out that the debate, which has proceeded in opposition to this clause, has derived its force from the fact that there is another clause to which honorable members opposite object very much more strongly than to this one.

Mr. BROWN. — That does not say that there are not legitimate objections to this clause.

Mr. JOSEPH COOK. — I do not say that for a moment. I know that honorable members do object to this clause. I am saying nothing against that. But I do say that they themselves know that the difference between the amendment of the Minister of Defence and the amendment which they themselves suggested should take its place, is farcical. I point out also that there is this divergence in the organizations represented by honorable members opposite—that some of them will not have anything to do with politics in their industrial organizations, while others are professedly and actively political. The honorable member for Newcastle referred to me as an old-time secretary of a trade union. The honorable member is quite right. When I was secretary to a union we always insisted on preference to unionists, and in a very summary fashion.

Mr. CROUCH.—What was the union?

Mr. JOSEPH COOK. — The Coal Miners' Union. We had no difficulty in doing that, and I am free to tell the honorable member that if I were in the same position to-day I should do the same again.

Mr. McDONALD.—Many big strikes took place over this question.

Mr. JOSEPH COOK.—I am thankful to say that, during the whole time I was secretary, I never had a strike.

Mr. WEBSTER.—How long was the honorable member secretary?

Mr. JOSEPH COOK.—For some years. If I were in that position again I should adopt the same attitude. I have no sort of sympathy with the man who will work alongside another man, and see that other paying every week of his life into an organization to protect his rights, and to maintain his position, whilst he himself is skulking, and deriving the benefit for which the other is paying and working. I have no sort of sympathy with that kind of thing.

Mr. WEBSTER.—Yet this provision is all in favour of it.

Mr. JOSEPH COOK.—That position is not affected by this clause.

Mr. WATKINS.—Absolutely.

Mr. JOSEPH COOK.—To keep on saying a thing does not prove it. I am going to show that the position of affairs which I have been describing has nothing whatever to do with the clause. There is no trouble with regard to preference. This Bill makes it obligatory on the Judge to grant preference when certain conditions are complied with. In any trade organization of which I am aware, there is no difficulty in getting a majority in favour of any course such as this clause proposes. Therefore I cannot see what the bogy is that is being raised so constantly and persistently. Take the Coal Miners' Union, for instance. Is there any trouble in that organization about getting a decision by a majority of the union? Will the honorable member for Newcastle tell me that there will be any trouble with regard to this measure in his district?

Mr. WATKINS. — Ask the miners there whether they will accept this Bill.

Mr. JOSEPH COOK.—It is not on account of this clause that they will not accept it.

Mr. FULLER.—It is on account of the other clause.

Mr. JOSEPH COOK.—It is not on account of the other clause, either. It is because they are following their leaders and their leaders have misrepresented this clause to them.

Mr. WATKINS.—Absolutely incorrect!

Mr. JOSEPH COOK.—I am not speaking of the honorable member personally, but of the propaganda which, as a party, honorable members opposite are pursuing in relation to this matter. They are telling their people that this means death to trade organizations.

Mr. WATKINS.—So it does.

Mr. JOSEPH COOK.—They are telling them that the fact that a majority is required before preference can be enforced endangers their whole position as trade organizations. After looking as carefully into the matter as I can I am unable to find a tittle of justification for any such statement. Take the union with which the honorable member for Newcastle is concerned. Will the honorable member contend that

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the members of that union would ever have any difficulty in securing a majority in favour of asking the Court for preference if there could be such a thing as an Inter-State coal miners' strike? The honorable member knows very well to the contrary. He knows very well also that they would not go to the Court to begin with, unless on a resolution affirmed by a majority of those interested. They would not go to the Court until a majority sent them there, and the majority that sent them to the Court would enable them to ask the Court for preference, where that was thought desirable.

Mr. Watkins.—Would the honorable member consult persons outside of the unions as to whether union men should be employed before them?

Mr. JOSEPH COOK.—Does the honorable member not see that there is no point in a remark of that sort, because such a state of affairs could not arise in his case?

Mr. Webster.—In his case, perhaps.

Mr. JOSEPH COOK.—I shall refer to some other cases. There have been two shocking examples quoted during the debate as showing the need for leaving the Court without any such direction. One was the example of the Trolley and Draymen's Union, but when I asked the honorable member for West Sydney, who cited the case, whether he could conceive it possible that there would be an Inter-State trolley and draymen's dispute, the honorable member had to admit that he could not. Why then heap up difficulties which cannot, by any possibility, arise in the practical working of this measure?

Mr. Watkins.—They must arise.

Mr. JOSEPH COOK.—The honorable member says they must arise, but that is only a statement, and if they ever should arise, they can be met. The president of the union admitted that it is almost inconceivable that an Inter-State trolley and draymen's strike would ever take place. If we take the other case which has been cited, that of the shearers, the honorable member for Darling informs us that before they begin to shear it might not be possible to say that a majority of the workers employed in the industry are members of the union. It is well known that the work of shearing is intermittent. Shearers take out a union ticket every year, but until they take out their ticket it is not possible to have them placed on the list of union members for the year. Taking this case at its worst, I point out that if there were an Inter-State shearers' dispute, probably the very first thing which any practical minded Judge—say Mr. Justice Cohen —would do would be to ask that proof should be furnished that there was a majority of those engaged in the industry in the union. The statement would be made in reply that, owing to the tickets not having been issued it would be impossible for them to say that they had a majority at a certain time, but the honorable member for Darling, as one of the leaders representing the union, would proceed to show Mr. Justice Cohen that last year there was a majority of shearers in the union, and he would be able to show that from correspondence he had with local secretaries, there was likely to be a majority of the workers in the industry on the books of the union this year. That in itself would be ample proof to enable the Judge to satisfy his mind in granting preference to the Shearers' Union, on the ground that they had a solid majority to whom to grant it. Do not honorable members see that it is just as possible to convince the mind of the Court in the way I have suggested, as by actual proof? All the statements which have been made are but so many bogies. I repeat that this is not the clause which is giving all the trouble, but the other clause to which I have already referred.

Mr. Carpenter.—The Court might say, as the honorable member says, "These are only assertions."

Mr. JOSEPH COOK.—The Court would be in a position to ask the leaders making these assertions to produce their books. They would be able to show that last year there was a majority in the union. The Court would be able to ask the leaders to produce their correspondence from local secretaries, and would be able to satisfy itself beyond any mere assertion that it was likely that there would be a majority of the workers in the industry in the union this year.

Mr. Carpenter.—It might, and it might not.

Mr. JOSEPH COOK.—I am endeavouring to point out to the honorable member that the Court would not need to take the word of the leaders, but would be able to take the facts of last year into consideration, and to infer from them that this year the same condition of things was likely to be repeated. There is, therefore, no

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point in the statements which are being made. This is the one union in connexion with which it can be contended that there is any actual difficulty, but, as I have pointed out, it would be easy for the Court to infer that, in granting preference to the Shearers' Union, it was granting preference to an organization which had a majority of those engaged in the industry at the back of it. Honorable members opposite are constantly reiterating the statement that this Bill cannot be worked unless trade unions are maintained at their full strength. That is quite true, but where is all the trouble coming from? The fact is that, wherever there are old-established and well-organized trade unions, the ideal trade unions which we desire so much to protect, there will always be an easily ascertainable majority. No case has been cited in connexion with any old-established trade organization in connexion with which there would be the slightest difficulty in convincing the Court upon a matter of this sort. Honorable members opposite have made many references during the debate to the Machine Shearers' Union, but I am satisfied that if ever the amendment proposed by the leader of the Opposition should find a place in this clause, it would do more to bring into operation competing and oppositionist trade unions than anything else of which I can conceive. If, all over the country, we put upon such men as those who joined the Machine Shearers' Union the obligation to prove that the unionists should not have preference given to them, we shall compel them, in self-defence, to form competing unions.

Mr. WATKINS.—Does the honorable member believe that any one of them would ever bother his head about it, when they did not do it in the first instance?

Mr. JOSEPH COOK.—Honorable members opposite, including the leader of the Opposition, have said that they would. That honorable gentleman also said that the employers would take care of them too, and I accept his statement.

Mr. CARPENTER.—The honorable gentleman did not use those words in that sense.

Mr. JOSEPH COOK.—I think that he did. At all events, that would certainly be the effect of it. If honorable members will but think for a moment they must see that it would be just the chance for which employers are seeking, to set workmen against workmen. Any honorable member who has experience in these matters must be aware, as I am, that thousands of people outside trade unions to-day sympathize with their work, and back them in every possible way. But if we put upon them the duty imposed by the leader of the Opposition, I venture to say we shall very soon alienate outside workers from trade unionists, and shall drive them into competing organizations. I frankly confess that I can conceive of no greater blow which could be struck at trade organizations than the insertion of such an amendment in this clause.

Mr. WATKINS.—Does not the honorable member think that the men to whom he refers would join the old organizations?

Mr. JOSEPH COOK.—Those who cared to do so would join; and if they joined the old organizations, there would be no trouble. But honorable members opposite assume that those men would not join the old organizations when an amendment is moved which throws on those who it is thought would not join the onus of proving that the majority have not asked for preference. Some question has been raised about preference and majority rule. I have never known a trade union which acted on any other than the principle of majority rule. How was it that we were able to enforce preference, in a voluntary sense, apart from any legislation, or apart from going to a Court, in the ordinary work of our organizations?

Mr. RONALD.—By the threat of striking.

Mr. JOSEPH COOK.—Yes, but always by the power of the majority in the organization.

Mr. RONALD.—Exactly.

Mr. JOSEPH COOK.—Nothing could be done unless the majority so determined; and, therefore, there was no trouble. If a majority sent a case to the Court for investigation, the same majority could demonstrate to the Judge that preference ought to be given.

Mr. RONALD.—But the power to strike is taken away, and, therefore, there can be no threat of striking.

Mr. JOSEPH COOK.—That has nothing to do with the point with which I am dealing. In every well-established trade union, there is a majority which is easily ascertainable—a majority of those engaged in the industry.

Mr. DAVID THOMSON.—But we must have regard to all those affected by an award.

Mr. JOSEPH COOK.—That is the same thing; it means those actively engaged in the industry.

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Mr. CARPENTER.—It may mean something very different—"affected" by the industry.

Mr. JOSEPH COOK.—That is a stretch of the term; if that was what was meant, it would be explicitly stated. This is a new point.

Mr. CARPENTER.—It is a point which has been repeatedly put forward in the Chamber.

Mr. JOSEPH COOK.—If I saw anything in the Bill which threatened the existence of trade unions, I should not be likely to give the measure my support. But I see nothing in the Bill but an attempt to carry out a proposal to give that preference which may be considered necessary for the preservation of trades organizations; and if there is a trade organization to be protected, all that is necessary is to apply to this Court and its deliberations the same principle that is applied to all the minutiæ of the every day affairs of the organization. It is the same thing; no new principle is being introduced. That is laid down in the Bill, so that if there is an organization which substantially represents a trade, the same principle which applies to its every day occupation can be made to apply to the question of granting preference. If there is any trouble about ascertaining the majority in a trade, this provision has been put in the Bill with the concurrence of those who are opposing it on the other side. Time and again, in the speeches which have been made by honorable members opposite, it has been said that they do not want preference for a minority.

Mr. ROBINSON.—The leader of the Opposition said that.

Mr. JOSEPH COOK.—Nobody could have made that statement more plainly than did the leader of the Opposition, who time and again said that he did not want preference for minorities, but only for majorities. If that is all, there is every provision in the Bill; indeed, the principle of majority rule is safeguarded, and I do not think there will be any trouble such as is suggested by honorable members opposite. All the cases that have been cited by those honorable members are entirely out of court, since it is shown to be almost impossible for such disputes to develop into Inter-State disputes. There would be abundance of material to demonstrate that there was an assured majority of those affected in favour of preference. All that would have to be done would be to convince the Judge by a reasonable method of procedure, not necessarily by mathematical certitude; the clause is expressly drafted to avoid anything of the nature of mathematical certitude being necessary. What has to be done is to convince the Judge, and there is ample material afforded to do this in the ramifications of the societies from year to year. In connexion with the Shearers' Union, the very statement of the difficulties would be most convincing, having regard to the intermittent character of the employment. I cannot conceive of a case in which there would be the slightest trouble in proving that a majority desired to have preference; and that is really the one point the fight is over. The suggestion that the difference between the amendment drafted by honorable members opposite and the proposal in the Bill is sufficient to destroy the measure, is to me a growing wonder from day to day; and I am amazed that such a point should be seriously insisted upon in a legislative body. In conclusion, I repeat that, in my opinion, this clause is not the trouble—the trouble is the other, the political, clause. And as regards that other clause, those who had charge of the Bill, when the late Government were in office, must take the responsibility for its insertion in the present measure.

Mr. ROBINSON (Wannon).—I should like to give the Committee some information regarding the two or three cases which I quoted when we discussed generally the amendments made by the Senate.

Mr. McDONALD.—Are the numbers here?

Mr. ROBINSON.—I have the exact numbers.

Mr. WATKINS.—Is the honorable and learned member "stone-walling" his own Bill?

Mr. ROBINSON.—In the general discussion, I mentioned two or three cases which have recently come before the Arbitration Court of New South Wales. One of the cases was the first in which that Court had refused to grant preference to unionists, and the reason for the refusal is shown in the judgment given on the 31st October, in the case of the laundry workers, and reported in the *Sydney Morning Herald* and the Sydney *Daily Telegraph*. Mr. Justice Cohen said—

By a majority, the Court declines to give preference to unionists in this case, and for these reasons: the number of employees in this industry is about 1,200, and the number of members of the union is about 250, so they stand in the proportion of four non-unionists and one

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unionist. Another reason is that, except so far as the small proportion of the employees are concerned, there is no constant employment.

The Court had previously granted preference, even when the claimant union represented a small proportion of the total employés. But I think it will be admitted that the public feeling created by the debates here must have influenced the Court's mind to some extent, and shown the injustice of granting preference to minorities, especially when we recollect that in the last discussion on this clause both parties expressed themselves as antagonistic to the proposal. The honorable member for Bland stated distinctly that his Government did not desire that preference should be granted to minorities, and this statement was echoed by his supporters from every corner of the House in which they sat. It had apparently become a fixed conviction in the public mind that preference to a minority was improper and unjust. A very short time afterwards the Court gave a decision, in the case of the Trolley and Draymen's Union, and in the case of the Brickmakers' Union. In the former case Mr. Justice Cohen said—

I consider that where an industrial union fairly and practically represents an industry, so far as the employees are concerned, preference should be given to unionists.

That was the position which the Labour Party took up in the last discussion on this provision. They have deliberately abandoned that position, and have totally reversed their attitude. The attitude they now seek to take up is that the union must get preference unless the disorganized non-unionists can show that they are in a majority. In giving the award in the case of the Brickmakers' Union, reported in the Sydney press of the 22nd of November last, Mr. Justice Cohen said that a majority of the Court gave preference to unionists under certain conditions. This case, so far as numbers and competency were concerned, was practically the same as that of the trolley and draymen. The union had 918 members, and the industry employed about 1,200 men, so that the claimant union represented a substantial majority of those interested in the dispute. It is worthy of note that in those instances there was no difficulty in supplying the Court with the number of employés in the industry, and the number of men in the claimant union, and that a majority was proved to the satisfaction of the Court. ndry workers' case preference was asked, and it was proved to the satisfaction of the Court that, out of 1,200 persons engaged in the trade, only 250 belonged to the union; in other words, a minority asked for preference. In the case of the Saddlers' Employés Union, the unionists represented a distinct minority. The total number of employés in that trade ranged from about 1,400 to 1,800, while the number of unionists did not exceed 405. There is a clear case in which the number of unionists and the number of employés in the trade were given. In the case of the Painters and Decorators' Union, the total number of employés in the trade, and the total number in the claimant union were given. In nearly every case in which preference has been asked for in New South Wales, the claimant union has been able to show what proportion of the total employés belonged to it. That being so, the objection raised by honorable members who belong to the Labour Party, that there is no possibility of proving whether the claimant union has a majority or not, is altogether unfounded. Therefore, for an explanation of their extraordinary attitude, we must be driven to some other conclusion. Those who listened with attention and interest, as I did, to the speech of the honorable member for Newcastle could not but see that its natural outcome was that it should be compulsory on the part of the Court to grant preference to unionists. He argued that an employer could treat his employés harshly and unjustly, and that the only means of overcoming those acts was by preference being granted to unionists.

inson.

Mr. HUME COOK.—The honorable and learned member knows that that has been done.

Mr. ROBINSON.—I admit that there are employers, as well as employés, who behave improperly. But the honorable member for Newcastle told us that the only means to check this practice on the part of employers was for the Court to grant preference to unionists. If that position be sound, it means that in every case the Court should not only have the power, but ought to grant preference. There can be little doubt that the honorable member belongs to that section of the Labour Party which, in New Zealand, has raised its voice in favour of compulsory preference, and which, in New South Wales, to some extent, is making a similar demand. The principle of preference seems to me to be

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an absolute negation of every principle of fair dealing and justice between man and man. I have opposed it with all my power. I only agreed to the amendment of the honorable and learned member for Corinella because it was a degree better than the proposal in the original Bill. No reason has been advanced why the House should reverse its vote deliberately come to after exhaustive debate. It has been stated by one honorable member that the decision was come to after a few minutes' discussion. That is not quite the case. The amendment of the honorable and learned member was printed two days before the division took place, and it was circulated. After the honorable and learned member made his speech, no less than twelve honorable members discussed the question of preference, and the majority of them, as I have ascertained from a perusal of the reports, referred more or less to his amendment. Again, it must be recollected that a no-confidence debate dealt with the same question. On two occasions, the House has come to the same decision, and no sufficient justification has been urged for altering it. It is worthy of note that in the Senate, packed as it is with gentlemen pledged to the Labour Party, the present amendment was moved and scouted, and that that House fell back upon the provision in the original Bill. We should be very chary before we accept an amendment which the Senate would not seriously consider. Some members of the Labour Party have said that unless we can meet the Senate in some direction, we are defying the authority of a constituent portion of the Parliament. It seems to me that we cannot defy its authority more pointedly than by putting in a provision which it deliberately considered and rejected. All things considered, it seems to me that the best attitude to take up is that which the Committee has taken up on two previous occasions, limiting the granting of preference to those cases in which the claimant union can show that it represents a majority of the employés in the trade affected. I have shown, by reference to official records, that in each and every case coming before the New South Wales Arbitration Court sufficient evidence has been adduced to satisfy the Court as to the proportion of the total number of employés in the industry affected who were within the union ranks. That being so, I contend that the proviso inserted on the motion of the honorable and learned member for Corinella does not contain any hidden dangers, but is a plain and straightforward declaration to the Court, and I hope that the Committee will insist upon its retention.

Mr. BRUCE SMITH (Parkes).—I am one of those who have systematically abstained from speaking upon a number of questions concerning which the conclusion of the Committee or the House was a foregone one; but members of the Labour Party so frequently restate the claim of preference to trade unions that one is inclined to think either that they are deaf or that their understandings are intentionally closed against the arguments adduced by members on the other side. We have been told by them, over and over again, that they are fighting in the interests of majority rule; but no one, who looks into this matter dispassionately, can fail to see that the action of that party in reference to this particular question is a direct challenge to that principle. We have also been frequently told that the great purpose which the unionists have in view is to enable their members to enjoy the fruits of trade combination. It is intended that there shall be associations under this Bill for the purpose of securing a concentration of force on the part of unions; but there is no reason why the unions should be made so many nerve-centres for the furtherance of the political views of the Labour Party, and to bring fresh recruits within the Socialist fold. Most of us remember the honorable and learned member for West Sydney speaking with great fervour in this chamber on the subject of trade union constitutions. In a lucid interval of individualism, he made the extraordinary confession that, while it costs a member of a union 1s. a week to defray the expenses of his membership, a simple organization for the purpose of securing the concentration of individuals necessary to facilitate the administration of the Bill could be worked with contributions of ½d. per member a week, or 2s. 2d. per annum. It is now proposed, however, to compel non-unionists to contribute that 52s. a year towards the upkeep of a Socialist newspaper and the maintenance of a political organization, of which they may be unwilling members, although all that the Bill demands are organizations which could be administered, according to one of the best authorities on the subject in this country, for 2s. 2d. a year. I generally say what I think about unions and unionism, and I justify economically the formation of unions, and have

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done so for the last fifteen years, both in my speeches and in my writings, as I justify the formation of a ring by merchants, of a trust by large corporations, or the association of a number of banks, in order to keep up the cost of their particular commodities. Economically, no argument can be advanced against legitimate trade unionism. I go further. I have no objection to trade unions acting for friendly purposes. I shall show directly, however, that, under the pretence of acting for friendly purposes, they, in some instances, act as trading corporations, which is foreign to their original intention, and jeopardizes the funds of those who have joined them in the hope of receiving consideration in the nature of that expected from friendly societies. But although I have always justified unionism, I draw the line at unionism being used as a sort of lever to force men to subscribe to certain political creeds, or certain political views, in order to earn a livelihood at their particular trades.

Mr. WATSON.—That question is not involved at the present time.

Mr. CARPENTER.—Is the honorable and learned member in order in referring as he is doing to the desirability or otherwise of unions taking political action?

The CHAIRMAN.—The honorable and learned member may not make more than an incidental reference to the subject. The amendment which deals with the political action of unions is the next amendment on the list.

Mr. BRUCE SMITH.—I propose to make incidental reference only to the matter. Honorable members opposite have claimed repeatedly, until one is heartily sick of hearing an argument which has been so frequently answered, that all that preference is meant to do, and will do, is to bring men into combinations to facilitate the administration of this measure, but the discussion of the question both here, and in another place, and in the public press, has revealed to the people of Australia a huge political conspiracy, whereby preference has been used as a sort of political lever to compel non-unionists to join unions with which they have no sympathy, and to the cost of whose maintenance they should not be compelled to contribute.

Mr. MAUGER.—Does the honorable and learned member think that that is being done?

Mr. BRUCE SMITH.—It has been done; but this discussion is likely to put an end to it, and I have no hesitation in saying that when once the political effect of preference to unionists is disposed of, unionists will lose all further interest in the Bill, because it will fail to serve the purpose for which it was intended by them, and for which similar measures have been used in the States. The political purpose of unions, however, is not, as I have said, their only one. In New South Wales, the United Labourers' Society or Association, which contains more than 1,000 members——

Mr. KELLY.—Its membership is rapidly growing less.

Mr. BRUCE SMITH.—For the purposes of my argument, that does not matter. I am referring to the union only by way of illustration. It was formed primarily to give its members the advantages of combination, while its constitution, which I have had the pleasure of seeing, also provides that its funds may be used to insure its members against accident and sickness. The balance-sheet of the union shows a sum of something like £475 to its credit, but the general public will be surprised to learn that the whole of that money has been jeopardized by the members of the council of the union entering into a contract with the New South Wales Metropolitan Board of Water Supply and Sewerage to carry out certain work, which such an organization has no right to undertake. I am informed that the union tendered for the performance of certain work at a price nearly 30 per cent. below the schedule price. Here we have a society formed primarily for unionist purposes, and, secondly, for insurance purposes, whose council jeopardizes the fund to which its members have been contributing for perhaps years, in order to make money by undertaking contractors' work. The union, being without the experience of an ordinary contractor, might lose the whole of the funds. Here is the position which has a bearing upon preference. If preference were given to a union of that kind, every one outside of it engaged in that particular industry would be compelled to join and to contribute to funds, ostensibly for insurance against accident and sickness, which might be devoted to unauthorized purposes and lost.

Mr. WATSON.—To what union does the honorable member refer?

Mr. BRUCE SMITH.—The Workers' Union of New South Wales.

Mr. WATSON.—That is not the name of it.

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Mr. BRUCE SMITH.—I have had the balance-sheet, which I have shown to two or three members, who have taken no exception to it. The name does not affect my argument.

Mr. WATSON.—If we knew the name of the union we might make some inquiries.

Mr. BRUCE SMITH.—I shall hand to the honorable member the balance-sheet which I obtained from some of the members of the union. The logical outcome is clear. If preference had been given to that union, any non-unionist working outside might very well say—and ought, as a free man living in a free country, to be able to say—"I want to belong to some institution in which I can insure myself against accident or sickness." If he found that he could not earn his livelihood without entering the union, and he became a member of it, he might discover, after having contributed to it for years, that its funds were jeopardized by an unwarranted act of the council. Instead of being content that unionists and non-unionists alike should join an entirely new organization conforming in every way to the requirements of the Act, the advocates of preference wish to compel every man, upon the pain or penalty of losing his means of livelihood, to join the existing unions, which have, as I have shown, all sorts of objects quite foreign to unionism in the strict sense of the word. Let me give another instance which occurred two or three years ago in New South Wales.

Mr. HUTCHISON.—The honorable and learned member has not yet touched upon the question before the Chair. I was pulled up very quickly when I was speaking.

Mr. BRUCE SMITH.—I do not think that any of my remarks can be regarded as irrelevant.

Mr. HUTCHISON.—The honorable and learned member has not yet touched upon the question before the Chair. I was pulled up in a shocking manner, although I had not transgressed a bit.

The CHAIRMAN.—Order! The honorable member must cease his interruptions.

Mr. BRUCE SMITH.—Another illustration can be cited to show the unfairness, the inequity, of the abstract claim for preference to unionists. The honorable and learned member for West Sydney admitted here upon one occasion that the Wharf Labourers' Union of New South Wales were running a newspaper, and although I have not had the pleasure of reading that journal, I have very little doubt as to the character of its politics.

Mr. HUTCHISON.—I rise to a point of order. I did not trespass to the extent of mentioning a newspaper, but you, sir, informed me that I was exceeding the bounds of debate when I referred incidentally to the clause following that now under discussion. I submit that the honorable and learned member has been trespassing to an infinitely greater extent.

The CHAIRMAN.—I have been carefully following the honorable and learned member, who, up to the present, has been arguing that a certain amendment is not necessary. Whether the arguments of the honorable and learned member are effective, or otherwise, it is not for me to say. I am now waiting to see how the honorable and learned member proposes to connect his reference to a certain newspaper with the provision for preference.

Mr. BRUCE SMITH.—I think, sir, that the connexion will be borne in upon your mind almost immediately. The honorable and learned member for West Sydney admitted that the Wharf Labourers' Union were running a newspaper, and we all know what that costs, with money which had to be taken from the union funds. Whatever may have been the opinions espoused by that journal, it is more than possible that scores of non-unionists disagreed with its principles. If the effect of preference were to compel non-unionists to enter the Wharf Labourers' Union, they would necessarily be obliged to contribute to the funds of an organization which was spending its money in running a newspaper to advocate views to which the non-unionists would probably be diametrically opposed. Therefore, according to the admission of the honorable and learned member, the effect of preference in that case would be not only to compel non-unionists to join the union, but to subscribe 52s. instead of 2s. 2d. per annum, in order, amongst other things, to run a newspaper.

Mr. WATSON.—I think the subscription is only 10s. per annum.

Mr. BRUCE SMITH.—I can only say that I understood the honorable and learned member for West Sydney to say that the contribution to the Wharf Labourers' Union was 1s. per week, and that the entrance fee was 10s. The total contribution for the first year would in such a case amount to £3 2s.

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Mr. WATSON.—The subscription is 10s. per annum.

Mr. BRUCE SMITH.—The honorable member does not know the history of that union, or he would be aware that it once increased its subscription to £5 per annum.

Mr. WATSON.—That was fourteen years ago.

Mr. BRUCE SMITH.—I do not care how long ago it was—the union acted in the way I described. It afterwards reduced its subscription to £2 per annum, and ultimately the power of the Arbitration Court had to be invoked to compel it to open its doors to non-unionists.

Mr. WATSON.—No one denounced that action on the part of the union more than I did.

Mr. BRUCE SMITH.—I am not speaking against the honorable member for Bland. He is becoming educated. I have been watching him for some time past.

Mr. WATSON.—I denounced similar action fourteen years ago, so that it happened that I was as much educated then as now.

Mr. BRUCE SMITH. — I have seen many indications that the honorable member is renouncing the rabid views he entertained some years ago.

Mr. WATSON.—I entertained the view referred to fourteen years ago.

Mr. BRUCE SMITH.—Preference to unionists, if carried to its logical conclusion, would compel every wharf labourer now outside the union to become a member of it. No one can doubt that. If, according to the honorable and learned member for West Sydney, all that is necessary in the way of subscription to constitute an organization for the purposes of this Bill is 2s. 2d. per year, then every penny beyond that amount that a wharf labourer is compelled to pay to qualify himself to earn his living is extorted from him by tyranny, in order to bring him into a new political field. Therefore, I say that preference in an unconditional form ought never to be granted. The leader of the Opposition knows very well what the temper of the Committee is upon that matter. He heard it discussed upon amendments submitted by the honorable and learned member for Corinella, and the honorable and learned member for Angas. Every aspect of it was debated at the time, and to endeavour to foist that idea upon us in the teeth of all the arguments which have been used against it——

Mr. WATSON.—Arguments?

Mr. BRUCE SMITH.—I am talking of the arguments which have been advanced by honorable members upon this side of the Chamber.

Mr. WATSON.—Most of those so-called "arguments" were based upon false premises, as was the statement of the honorable and learned member a moment or two ago.

Mr. BRUCE SMITH.—There is another aspect of this question to which I desire to refer. It has been urged that the Government proposal is consistent with the principle of majority rule. In this Chamber we have heard enough of majority rule by way of profession. We hear that doctrine frequently advanced by honorable members opposite, when they think it will fit the particular circumstances. But I would point out to them that the effect of extending to unionists a preference of an unconditional character in the case of a trade in which a thousand men are employed, only 250 of whom are unionists, would be to force the remaining 750 not merely to join the union, but to contribute to its funds, to fall in with its political views, and to do a variety of other things which they might not wish to do. I submit that this, instead of being majority rule, is tyranny of the worst order. It is the sort of tyranny to which excessive democracy always leads. Despite the hours and hours which have been occupied in discussing this question, I have not heard a single argument advanced by honorable members opposite to show how the amendment of the leader of the Opposition can be reconciled with the principle of majority rule. I entertain the same opinion now that I did when this matter was first debated. If trade unions are sought to be used—when they need not necessarily be so used—as organizations for the purposes of this Bill, they ought to be prevented from using their funds for political or other foreign purposes.

The CHAIRMAN.—Order. I would remind the honorable and learned member that that question is not under discussion at the present moment.

Mr. BRUCE SMITH.—I will not persist in that line of argument. I shall have an opportunity to elaborate it when the next amendment is under consideration. The object of this Bill is to create organizations, under which we shall obtain that concentrated force which will enable the measure to be properly and efficiently administered.

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Mr. WATSON (Bland).—As this stage, I have no desire to inflict another speech upon the Committee, but I wish to say that the statement of the honorable and learned member for Parkes in reference to the subscription for admission to the Wharf Labourers' Union is absolutely inaccurate.

Mr. BRUCE SMITH.—The honorable and learned member for West Sydney admitted it.

Mr. WATSON.—I am sure that the honorable and learned member for West Sydney could not have made any such statement. The subscription to the Wharf Labourers' Union is 10s. per annum, and has been so——

Mr. BRUCE SMITH.—For how long?

Mr. WATSON.—For four or five years, at any rate. Prior to that period, the organization in question was almost defunct. I cannot remember what the subscription to it was some fourteen or fifteen years ago, but since its re-organization, it has not been more than 10s. per annum, and sometimes it has been as low as 5s. Concerning the statement of the honorable and learned member for Parkes regarding the Workers' Union, I may mention that there is no union of that name registered in Sydney other than the Australian Workers' Union.

Mr. BRUCE SMITH.—I can show the honorable member the balance-sheet of the Workers' Association.

Mr. WATSON.—Whilst it is possible that some union has done what the honorable and learned member suggests, he has certainly not given its right title.

Mr. BRUCE SMITH.—I saw the balance-sheet certified to by auditors.

Mr. WATSON.—The honorable and learned member's statement in reference to a charge of 52s. per annum in connexion with the Wharf Labourers' Union is absolutely inaccurate. It is a pity that honorable members are not a little clearer upon matters of this character.

Mr. KELLY (Wentworth).—I must express regret at the conspiracy of silence which exists upon the Opposition benches.

Mr. MAUGER.—The honorable member surely does not wish us to say any more?

Mr. KELLY.—I shall have accomplished something if I can arouse honorable members opposite to exhibit some interest in this very important question. Whilst discussing the two proposals before the Committee, I should like to direct attention to the cause which led to the incorporation in this Bill of the amendment originally submitted by the honorable and learned member for Corinella. We find that in the form in which the Bill is at present before the Committee——

The CHAIRMAN.—Order! The Bill is not before the Committee——

Mr. KELLY.—I should like to take your ruling, sir, upon that point. In discussing an amendment of this character, may we not debate its relation to the measure of which it forms a part?

The CHAIRMAN.—The honorable member may do that so long as he adheres to the terms of the amendment.

Mr. KELLY.—That is what I propose to do.

The CHAIRMAN.—The honorable member has not yet transgressed, but I am afraid that he was about to do so, when he referred to the Bill as a whole.

Mr. KELLY.—I was referring to the relation which these amendments bear to the measure as a whole.

The CHAIRMAN.—Only one amendment.

Mr. MAUGER.—The honorable member is not a good "stone-waller."

Mr. KELLY.—I should like the honorable member for Melbourne Ports to withdraw that remark. It is a distinct reflection upon me.

The CHAIRMAN.—As the honorable member considers the remark a personal reflection upon himself, I must ask the honorable member to withdraw it.

Mr. MAUGER.—I withdraw it.

Mr. KELLY.—In considering the proposal to grant a preference to unionists, we must recollect that this Bill delegates to an outside tribunal, over which we have no control, all the legislative and administrative functions which we have in the past endeavoured to exercise in regard to the industrial affairs of the Commonwealth. Hitherto individual liberty and freedom of action have been held to be of equal importance to every citizen. It was that principle which prompted the insertion of the amendment of the honorable and learned member for Corinella. Under the Bill, even as it now stands, the individual liberty of a non-unionist suffers considerably. We know that quite a number of workmen have joined certain benefit societies to insure themselves against loss of employment, irrespective of whether it arises from sickness or a strike, or from any other cause. These individuals have already insured themselves against such contingencies. But under the preference

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provision in this Bill, a man may be compelled to pay twice to acquire benefits which he, himself, considers ought to have been insured to him by one payment. That is a clear indication that there is a possibility of the individual rights of the workers being interfered with by a measure of this character. Consequently I claim that, whilst delegating these powers to an outside tribunal, this Parliament, which is elected upon a democratic franchise, should endeavour to insure that the Court to which it surrenders its powers, should discharge its functions in the same manner. That is the proposal which was carried by the Committee on the motion of the honorable and learned member for Corinella. We asked the Court to insure that—

No such preference shall be directed to be given unless the application for such preference is in the opinion of the Court approved by a majority of those affected by the award who have interests in common with the applicants.

That made the position absolutely clear. It showed exactly what were our views on this most important question. But the honorable member for Bland now asks the Committee to reverse its decision, not on the vital question at issue, that there should be a majority, but as to the means by which that majority shall be ascertained by the Court. It seems to me that in taking this step, my honorable friends of the Opposition show they are convinced that a limitation of preference is essential. If that be so, why should we make a vital issue of that which is, after all, only a question as to how the Court shall arrive at a certain decision? What is the honorable member for Bland's proposal? It is in effect that the onus of proof shall be thrown not on those who are hoping to derive some benefit from their action, but on those who are in the position of defendants. Defendants in such cases will not be in the position ordinarily occupied by a defendant. The non-unionists who will be interested in these cases, and consequently, to a certain extent, may be held to be parties to them, will not be, strictly speaking, parties to the cases before the Court. They will have no direct interest in the disputes existing between the claimant unions and the defendant employers.

Mr. Hume Cook.—But they will share in the spoils.

Mr. KELLY.—I say that non-unionists will have no direct interest in the question at issue before the Court. It is quite true that the moment a claimant union of employés asks for preference, all the non-unionists outside the Court must immediately bestir themselves to find out whether they can block that preference being granted if they wish to remain non-unionists. But what is the position? What is the use of asking vast numbers of men, scattered over the length and breadth of the Commonwealth, and wholly disorganized, to suddenly declare themselves on what is no particular man's business, and to show the Court that the majority of those engaged in the industry are opposed to the application of the claimant employés' union? The whole proposal is obviously absurd. How can we expect thousands of men, not one of whom is in an especial position to speak on behalf of all the non-unionists of Australia, to come forward suddenly—because it is only when a claim is suddenly made for preference that they will have any interest in a case—and prove that which they have no means of ascertaining: that a majority of those engaged in the industry are opposed to preference being granted? That is one phase, and the most important phase, of the honorable member for Bland's proposal—that the principle which he, in conjunction with honorable members on this side of the House, is prepared to insert in the Bill, shall rely for its safety upon proof being adduced in a way that it is highly improbable that any number of such men would be able to achieve. What is the proposal as it stands at present? We do not find that a claimant union would have any difficulty in proving its case, if it had one. A claimant union is able to declare itself through its own officials, who will be listened to by the Court as speaking on behalf of the union. The unions have every opportunity to find out what their membership is, and having ascertained it, they have only, generally speaking, to satisfy the Court that they represent a majority of the persons in the industry. In coming before the Court and stating their case, they have not to prove with mathematical precision that they represent a majority of the persons affected; they have only to satisfy the Court that they do so. Cannot the Court be trusted in this regard? I have heard nearly every honorable member opposite say "Trust the Court."

Mr. King O'Malley.—We wish to trust it, but honorable members opposite are not prepared to do so.

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Mr. KELLY.—I am quite prepared to trust the Court in this regard. If we put it to the Court whether they believe that the defendant or the claimant should have imposed upon it the onus of proof, I should be prepared to trust the Court to answer that the onus of proof should be thrown on the claimant.

Mr. TUDOR.—Would the honorable member vote to leave absolutely nothing in the Bill so far as the question of a brutal majority is concerned?

Mr. KELLY.—I should prefer to see the provision for preference struck out, but, as there is to be some limitation, I think that it should be imposed in a direction in which it would be most easy to safeguard the principle. Under the proposal of my honorable friends opposite, it would be absolutely impossible to give effect to the limitation which they, by their actions, show that they deem necessary; whereas, if the Government proposal be accepted, the unions—who will have all the necessary machinery, and officials to speak for them—can prove to the satisfaction of a reasonable Court that they represent, or do not represent, a majority of the persons interested. That is the main difference between the two proposals put before the Committee. I would ask honorable members of the Opposition to make quite sure, when voting for the honorable member for Bland's amendment, that they are giving the principle which they are advocating so strongly a chance of being properly carried out. If they do not agree with the principle, I would ask them to say so frankly and openly. What will be the use of their going before their constituents subsequently, and saying that they do not believe in the limitation of preference, when they themselves desire to see the provision made in the measure for majority preference, the only difference between them and those on this side of the House being as to the way in which the question of whether a majority does or does not favour a claim for preference is to be determined? For my part, I have always held that the unions themselves should be the very last to ask for compulsory preference. When one considers the history of unionism, one finds that it has been built up by voluntary effort from its very inception. We find that persons originally banded themselves together to endeavour, by collective effort, to obtain a better state of affairs—to endeavour, by collective effort, to enhance the value of their work, and by so doing to insure to themselves an increased wage. We find, also, that these men banded themselves together to form a sort of benefit society which would make them payments out of its general funds while they were out of work, or when, through sickness, they were incapacitated. These organizations had their inception in voluntary effort, and are dependent for their very existence upon it. If a man be compelled to join such an association, what is the advantage to him? What does he care, individually, whether all subscriptions are paid up, or as to the still more vital question whether the standard of work, upon which a union bases its whole claim to priority, is maintained? The moment we endeavour to use the Court which Parliament is bringing into existence as a recruiting agency for these unions, we shall be recruiting the unions with men who are out of sympathy with them. These men will be compelled to join them, not from any desire on their own part. They will have nothing in common with them. Their object will simply be to be allowed to pursue their means of livelihood; and, that accomplished, their one desire will be to get out of the unions as soon as possible. Consequently, the new recruits which the unions will gain, if we follow the lead of honorable members opposite—or a small minority of them—will be a source of weakness to them; and we shall be exposing unionism, which has done so much for the masses of the workers, to a serious risk of decay from within. For these reasons I am strongly opposed to the amendment of the honorable member for Bland.

Mr. WEBSTER (Gwydir).—I have listened carefully to the honorable members from the Government side of the Chamber who have debated this question of preference and its application to the people whom it more particularly concerns. When I rose, the Prime Minister asked me, very respectfully, to let the matter go to a division. But if the right honorable gentleman understood the feelings of trade unionists, who are taking a keen interest in this debate, he would not ask any honorable member representing that section of the people to let the matter go. Feeling as I do upon the subject, I should be more inclined to follow the subject up until the Bill is absolutely defeated. In spite of what has been said by the honorable member for Parkes and other great authorities on individualism, I consider that if I were to occupy the time of the Committee until every honorable member opposite was

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worn out, I should do no more than my duty to the people whom the clause affects. It has been said that the clause enables the question of preference to be determined by the will of the majority in a trade. But none of the honorable members who have used that argument has yet proved—although many assertions have been made—that the proof of the existence of such a majority is practicable of attainment by the unions upon which is thrust the duty of proving it. I do not intend to discuss the clause in connexion with clause 55, because we shall have a further opportunity to debate the wisdom of the amendment which has been made in that provision by the Senate. It has been said that the clause under discussion was thoroughly debated while the late Government was in office. The honorable member for Wannon emphatically stated that such was the case. I have referred to *Hansard*, and I am in a position to say that not only was the clause not printed prior to its being moved, but it was never discussed in an adequate manner. I pointed out, during the previous debate, that I was not aware of the form of the amendment which the Minister of Defence intended to move. Therefore, I say that the amendment stole into the Bill, practically by accident, and largely through an oversight on the part of the late Prime Minister. Although it was passed, many honorable members were prepared to reverse their votes, if they had had an opportunity to do so. But we never had an opportunity to reconsider the matter. When the late Government proposed its reconsideration, with the view to substitute something which would meet the case in a better form, we were at once blocked by the action of the late Opposition, who refused to allow us to place our case before the House. So that when the Bill was taken up by the present Government, the subject had practically not been discussed. When this Government came into office, the Opposition desired to wash its hands of the Bill. They refused to take any responsibility for it, embodying as it did the amendment of the Minister of Defence. The efforts made in the Senate to amend this, and other clauses, indicate that although the objectionable amendment was carried in this House, a very large minority of the members of the Senate recognised the justice of the demand made by honorable members on this side in the interests of future unionism under a Federal Arbitration law. Listening to the honorable member for Parramatta this afternoon, one might imagine that the honorable member knew nothing of unions, and the principle of unionism in the Commonwealth. I give the honorable member credit for knowing a very great deal on the subject, but I maintain that his contention as to the ease with which the Court might ascertain whether a majority favoured preference, on the application of the unions to which he referred, does not affect the injustice of this provision. The question involved is not merely one of majority. The employés, who can approach the Court for a grant of preference, only as an organization, should be judged not only according to their numbers, but according to their skill in the trade, or calling in which they are engaged.

Mr. JOSEPH COOK.—There should be no difficulty about that.

Mr. WEBSTER.—The honorable and learned member for Parkes would never contend that the profession to which he belongs should be open to all men without regard to their fitness for the duties which members of that profession have usually to perform.

Mr. BRUCE SMITH.—I should not care if it were opened unconditionally to the whole world.

Mr. WEBSTER.—I accept the honorable member's statement, but the fact remains that persons desiring to join the union to which the honorable member belongs, must, by examination, prove their qualifications to discharge the duties imposed on them by the law, and in the manner expected of them by the union which they seek to enter. By passing certain examinations, they give a guarantee to the public that they will be capable of doing the work which they will be employed to do. I therefore contend that in this case, arguments based wholly on the necessity of showing that a majority connected with a particular industry are in favour of a grant of preference, are unworthy of consideration. The honorable member for Darling, who speaks with authority, has shown conclusively that it will be almost impossible for the Shearers' Union to prove to the Court that its financial members represent a majority of those engaged in their calling. The result is that a union whose interests are most deeply affected by this measure, is placed by this clause in such a position that it will be unable to secure

the benefit which might be derived from such a Bill. Honorable members opposite have explained that they realize the value of trade unions. They have extolled unionism to the skies, and have said that it has done more to bring about the present improved condition of the British and Australian worker, than has any other force in our political and social life. But in supporting this provision, they are making use of a legislative sheath-knife to cut into the vital interests of the very institutions which they have extolled. Honorable members are aware that men who occupy the position of units scattered throughout the Commonwealth, and who have not formed themselves into an organization, will be unable to avail themselves of the provisions of this measure. They must become associated in a union before they can procure any award or preference under this Bill. Some honorable members have argued that preference to unionists will have the effect of forcing men to join unions. "Compulsion" is a term which honorable members opposite are very fond of using in this connexion; while there will be no compulsion, the effect of such a provision may be to induce men to join unions. If any large body of men who are outside a union find that a small number of men joined together for mutual benefit are able to appeal to the Court and secure the advantage of preference under this provision, they will be induced to join the ranks of the union, provided they are qualified to properly carry out the calling in which they are engaged. Why should honorable members opposite object to these men entering a union when they confess that unionism has done so much for civilization? If it were possible to strike a death-blow at unionism throughout the world to-day, I ask honorable members to say what we should have in its place. Honorable members must be aware that if such a thing took place the result would be a revolution which the forces of the law could not control. The members of the Shearers' Union are of opinion that this Bill will be of no use to them if a grant of preference is to be given only on proof that a majority of those engaged in the industry support it. The honorable member for Bland has proposed an amendment to throw the onus of proof in the matter upon the defendants rather than upon the applicants. I maintain that if the applicants have to bear the cost of forming a union and maintaining it, and also the cost of appealing to the Court for decisions and awards, it should follow as a matter of equity, if not of law, that those outside the union and opposing a grant of preference to its members, should be required to prove that they constitute a majority of those engaged in the industry, and that their rights must therefore be considered as well as those of the members of the union. It is not a matter of dry law, of which we hear so much from legal members, but a matter of equity and good conscience, which the Court has to administer. The Court should have the right to decide when preference shall be granted, irrespective of whether there is a mere nominal majority in favour of preference. I contend that the proposal of honorable members opposite will be, to a great extent, a death-blow to trade unionism throughout Australia.

Mr. BRUCE SMITH.—Why should it be?

Mr. WEBSTER.—Because the proposal deprives men of the reward for the sacrifices which they are prepared to make in the interests of a civilized method of controlling the industrial affairs of the country.

Mr. BRUCE SMITH.—There is nothing in the Bill to stop trade unionism.

Mr. WEBSTER.—The honorable and learned member proposes that there shall be some new organization.

Mr. BRUCE SMITH.—Yes; specially for the purposes of this Bill.

Mr. WEBSTER.—A nice idea that is! The unions already in existence have proved their *bona fides*, and those unions are extolled by the honorable and learned member; and yet it is proposed that, in their place, there shall be some other organizations.

Mr. BRUCE SMITH.—Not in their place, but in addition.

Mr. WEBSTER.—But the new organizations would be intended to take the place of the present trade unions, and the same set of circumstances would arise in connexion with them. The new organizations would become just as conservative and jealous of their rights and privileges as are the organizations which now exist, and the only result would be a disorganization of trade unionism throughout Australia. Of course, some honorable members say that preference to unionists is a pernicious principle, apart from the suggested method of applying it. Those men I can only regard as bitter opponents of any legislation of this character. Where a law of the kind has been

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in existence, and there is no special provision for preference—where, on appeal, the decisions of the Arbitration Court have been upheld by the Full Court—the law is administered on the basis of equity and good conscience, and it is difficult to see how industries can be regulated unless a distinction be made between *bonâ fide* men and bogus men.

Sir JOHN FORREST.—The Judges have refused preference in Western Australia.

Mr. WEBSTER.—I only know that in New South Wales we have had the happy experience that preference has been granted in a vast number of cases.

Mr. BRUCE SMITH.—Not in all cases.

Mr. WEBSTER.—I do not say that preference has been granted in all cases. Those awards have affected as many as 12,000 unionists up to the end of the year 1903. Numbers of men who have hitherto kept outside trade unions have benefited by those awards.

Sir JOHN FORREST.—They have to join the unions?

Mr. WEBSTER.—There is no compulsion in the matter. I contend that where a person sees that, owing to the passing of a certain law, he ought to join a certain organization, and he does so voluntarily, there is no compulsion, but merely an act that is commendable on his part.

Mr. BRUCE SMITH.—No compulsion! If an Act of Parliament forces a man to join a union, is there no compulsion?

Mr. WEBSTER.—It suits the honorable and learned member's purpose to assume that there is compulsion. In the case of the Saddlers' Union in New South Wales, there were only 250 members in the union, but there were 1,500 other men employed in the industry. In that case an award was granted, and a common rule was established; and, from all that I have heard, the award has in no way proved injurious to the non-unionists. It has not forced them to join a union, nor has it deprived them of any rights they had before the award was made; indeed, it has bestowed upon them advantages in the matter of hours of labour and the regulation of the number of apprentices. What I am now stating are facts, and not mere assumptions, such as those we hear put forward from time to time by those who argue against the efficacy of this particular provision.

Mr. BRUCE SMITH.—Does the honorable member say that the non-unionists are not compelled to join a union?

Mr. WEBSTER.—Non-unionists are not compelled to join, where the union represents a minority of those employed. When those outside the trade union represent three or four times the number of those employed, the unorganized cannot appeal to the Court. It, therefore, becomes necessary, in order to have a common rule established, for the minority to seek an award from the Judge. If 1,500 to 1,600 men follow a trade in which there is employment, as there usually is, for 1,000 men at one time, and 250 men belong to the union, does the honorable and learned member for Parkes contend that while there was work for 1,000 men to do, 750 non-unionists would not be taken on? The argument of honorable members will not hold water when it is analyzed from a practical stand-point. I cannot quote a better authority on this subject than the Hon. B. R. Wise. I do not care what opinion honorable members may hold of him personally.

Mr. BRUCE SMITH.—The honorable member does not mind our coughing, I hope?

Mr. WEBSTER.—I do not care what resentment honorable members may show towards Mr. Wise. Although they may sneer or laugh at his logic from a distance, yet on the floor of a House of Parliament, or at the bar, they have to respect his ability, and very often to succumb to it.

Mr. BRUCE SMITH. — The New South Wales Act is his own baby.

Mr. WEBSTER.—Therefore Mr. Wise has given more attention to the subject than the honorable and learned member has done.

Mr. BRUCE SMITH.—Has he?

Mr. WEBSTER.—The honorable and learned member said here to-day, "I have not heard from members of the Opposition any argument which will enable me to come to any other conclusion than that they are for various reasons opposed to this proposal. He could hardly expect to hear the arguments advanced from this side, because when they were being adduced he was generally absent. Mr. Wise has been far more active in advocating this type of a Conciliation and Arbitration Act than have some honorable members who have stood here and talked on the subject, although they have had no experience generally, legislatively, or administratively, in this regard. The Prime Minister has quoted Mr. Wise, and to suit his own purpose he referred to a speech which that gentleman delivered in the Legislative Council

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of New South Wales, when he was introducing a Conciliation and Arbitration Bill. By that quotation the right honorable member implied that Mr. Wise did not at that time hold the opinion which he has since published. I could cite a hundred quotations from the New South Wales *Hansard*, if I cared, to prove that the right honorable gentleman does not to-day hold the opinions which he then expressed. This attempt on his part to prove inconsistency on Mr. Wise's part cannot be taken seriously for a moment. It is well known to honorable members generally that the honorable member for Bland, when he was leading a Government, accepted an amendment as a compromise, in order to get the Bill out of this House, and in the hope of getting the clause in question amended elsewhere in accordance with his wish, and probably affirmed here at a later stage. But that amendment is now referred to by them as one which he regarded as of paramount importance. The compromise was only accepted as a means of getting out of the difficulty which was raised by the honorable and learned member for Corinella, who framed his amendment with the distinct object of bringing about the defeat of the late Government. I happened to be in the State Parliament when Mr. Wise made the remarks on the preference clause to which the Prime Minister has referred. I was very deeply interested in the passing of a Conciliation and Arbitration Bill, and I wondered why Mr. Wise should make such remarks when he was advocating the passing of a Bill, which we felt sure would be of no use unless the principle of preference to unionists were established. I know that, owing to the conservative character of the Legislative Council, Mr. Wise had to adopt methods which were justified by the circumstances. He had to persuade his conservative fellow members that the Bill would not have a particular effect, even if it became law. I admit that that course was deliberately taken, in order to secure the passing of the Bill through a Chamber from which, at one time, it was never thought that such legislation would emerge. Mr. Wise has observed the practical working of this legislation, but the Prime Minister and his friends take care to quote only those remarks which he uttered when he was merely conjecturing what would be the effect of granting preference to unionists. Not one honorable member on the other side has quoted the deliberate opinion of Mr. Wise after he had observed the practical working of this legislation, and he is supported in his contention by the Judges of several Courts. No one here, I submit, is as well qualified as Mr. Wise to express an opinion on this subject. He holds that the amendment of the honorable and learned member for Corinella, if enacted, would undoubtedly bring confusion into the Court, and introduce practical difficulties into the administration of the law. Referring to the phrase, " a majority of the persons affected," he says, in the *Worker* of 29th October—

> I have never yet met a lawyer who is able to tell me what these words mean, or how such a fact could be proved.

Not one of the legal members of the Government, from the Prime Minister downwards, has been able to give a satisfactory explanation or definition of the words " persons affected."

Mr. BRUCE SMITH.—They seem very simple.

Mr. WEBSTER.—It is the simplest words which puzzle the legal mind most. I suppose it is because these words are so simple that we have had no interpretation of their meaning. I ask the honorable and learned member who are " the persons affected " ?

Mr. HARPER.—Why not trust the Court to settle the point?

Mr. WEBSTER.—The honorable member may be prepared to trust the Court in this matter, but is he prepared to vote for the striking out of the proviso, so that the authority of the Court may be unrestricted?

Mr. BRUCE SMITH.—Surely the honorable member can trust the Court to determine on which side the majority is?

Mr. WEBSTER.—Yes; but the proviso is not required. Let us trust the Court altogether, both in regard to the determination as to whether a majority is applying for an award, and in regard to the granting of preference. The New South Wales and New Zealand legislation contains no restriction of this kind. Under those Acts the Court is trusted, and the Judges have pronounced the opinion that preference is essential to the proper working of the arbitration law. I have referred to Mr. B. R. Wise's opinion of the proviso.

Mr. BRUCE SMITH.—We have all read that in the *Worker*.

Mr. WEBSTER.—Then I hope that the honorable and learned member knows more about it than he does of the contribu-

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tion to the Wharf Labourers' Union, which he so confidently assured us is 52s. per member per annum.

Mr. BRUCE SMITH.—The honorable and learned member for West Sydney has admitted to me that the contribution of the members of the Seamen's Union is 1s. a week.

Mr. WEBSTER.—That is one particular union. Of course, if a man throws out a line to hook anything which may come along to strengthen his argument, he is sure to have some success. The members of that union, however, obtain for their contributions benefits in addition to the benefits of compulsory arbitration.

Mr. BRUCE SMITH.—Why should non-unionists be forced to pay for such benefits?

Mr. WEBSTER.—There is no compulsion. I have proved that in New South Wales, men are not compelled to join unions. If a man does not think it to his interest to join a union which by an award of the Court has obtained preference, he is not compelled to do so. Surely the unions which have done all the organizing and fighting have a right to preference.

Mr. BRUCE SMITH.—All the political organizing.

Mr. WEBSTER.—I am speaking of industrial, not of the political, organizing to which the honorable and learned member addressed his remarks. The trouble with honorable members opposite is that they are afraid of the political action of unions, and they endeavour to discuss on the motion now before the Committee a matter which is not related to it, and which can properly be discussed only when the next amendment of the Senate comes before us. I do not intend to follow that example. The honorable and learned member for Wannon, in the effort to prove I do not know what, referred to the case of the New South Wales laundresses. He indicated that the refusal of the New South Wales Court to make a common rule with regard to laundry work, was a reason why preference should not be given to unions under the Bill. But, as every one knows, it would be unjust to apply a common rule in that industry. Laundry work is carried on by a large number of disunited individuals, some working in their own homes, and has no resemblance to the industries affected by the proviso. The decision of the Court in that case, however, showed that it could be trusted to administer the law with justice and equity, because it refused to make the award which was asked for. Honorable gentlemen opposite are not willing to strike out the proviso, and thus give the Court unrestricted power to say whether a union shall or shall not have preference. What they wish to do is to strike a blow at the liberties of the men who are the bone and sinew of this country. At the present time, a man who is dissatisfied with his wages, or his hours, or conditions of employment, has the right to strike. Honorable members, however, wish to take that right from him. They wish to penalize him, to prevent him from wielding the great power which he has possessed for many years past, while at the same time they deny him the right of preference, and the exercise of his political liberty. Many honorable members profess to be friends of the trade unionists. They speak highly of the members of such organizations, but their actions belie their words, because everything they do is detrimental to trade unionists, and is intended to undermine their rights and liberties. Among those who are most anxious to rob the working men of their rights are honorable members who are protected by one of the strongest unions in the world, which secures preference to them. The members of the legal profession are extremely jealous of any inroad upon their own preserves. They require that every person who desires to enter their union shall pass a strict examination, and they attach no weight to any other consideration. Although they owe the fullest gratitude for the protection which has been afforded to them by the law, they are prepared to take away the liberties of men of whose history they know nothing, and with whom they cannot sympathize. All they know regarding them has been gathered from books written, probably, by biased authors. Many of them do not know what it is to work for their living, in the sense in which others have to work, or anything of the privations and sufferings endured by those who have had to strike in order to maintain their rights. They know nothing of the starvation and ruin which such men have had to face. If they had gone through such an experience, it would have done them a world of good. If the honorable member for Wentworth, like his father, had had to toil upon the wharfs in Sydney in order to earn money to keep those dependent upon him, he would have more sympathy with the working classes, and he would not come here and put on the

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"side" that he does. If there is one man who should have little to say against legislation of this kind, and who should refrain from spurning the men who are now honestly assisting to build up this great Commonwealth, it is the honorable member for Wentworth, who owes his position to-day to the labour which his father underwent upon the wharfs of Sydney and elsewhere. It does not befit him to come here and speak sarcastically and bombastically in regard to the claims of unionists whose circumstances he does not understand. With regard to the proviso to this clause the Hon. B. R. Wise says—

One concrete instance will make the difference between the two amendments clear. No one, I suppose, will deny that the Amalgamated Engineers, if any preference is to be granted to a union, is pre-eminently entitled to demand it. Yet, if Mr. McCay's amendment were law, and the Amalgamated Engineers were involved in a dispute with their employers, their demand for preference might be defeated if it were shown that there were outside their union a number of persons calling themselves engineers and possibly entitled to that name by reason of their capacity to manage an engine of some kind, who were not parties to the application. Once show that there were, scattered up and down Australia, more men running engines or working at odd jobs in the engineering trade than were included in the Amalgamated Engineers, and the union would be disentitled to preference.

There is an argument which shows the folly of opposing the granting of preference to unionists.

Mr. KELLY.—Is that the same Mr. Wise whose statements were quoted by the other side a night or two ago?

Mr. BATCHELOR.—That statement cannot be refuted by any one on the Government side of the Chamber.

Mr. WEBSTER.—Mr. Wise continues—

Under Mr. Watson's amendment, however, the matter would not be decided merely by counting heads, but the Court would require to take into consideration the competence and standing of the members of the Amalgamated Engineers as compared with the engineers who were outside the unions.

Then he goes on to say—

It requires that character, ability, and skill when they exist in a trade union, shall be recognised by the Court, and have due weight given to them.

That is what honorable members opposite do not desire. They do not care what the majority may consist of; they are prepared to recognise a majority composed of men who may be raked together from the four corners of the Commonwealth.

Mr. BRUCE SMITH.—Does not the honorable member believe in the equality of man?

Mr. WEBSTER.—If the profession to which the honorable member belongs were open to all and sundry, without any regard to legal qualification, I believe that many men without legal training would be more successful than many of the present members of the profession in arguing before a Judge of common-sense. If it were proposed, as in New Zealand lately, and in Victoria some time ago, to liberalize the conditions of admission to the Bar, a hue and cry would be raised by the members of the legal profession. Their sacred rights must not be attacked, they must be maintained in their stronghold; but they are not prepared to extend similar protection to the man who has served his time at a trade, and knows his business, who is prepared to give good value for his wages, and to deal honestly with his employer. They are not prepared to differentiate between such a man and a make-believe of a tradesman, who spoils more work than he completes, and is really a nuisance to his employer. So far as majority rule is concerned, the clap-trap and political dodgery that has been indulged in in order to curry political favour now stands revealed as a hollow pretence. These are statements which may be refuted or corroborated by reference to the public records. In an article devoted to a defence of the preference principle, Mr. B. R. Wise, the Attorney-General of New South Wales, says—

The very specious argument is urged that to grant preference to a union which only represents a minority of the trade is an undemocratic interference with the rights of the majority. The fallacy of this contention lies in the fact that it overlooks the basic principle of the Act, namely, that the Court should recognise organized labour. For reasons which are well understood, only organized labour can set the Act in motion, and only organized labour becomes effectively liable to penalties, although no doubt penalties may also be imposed on individuals. It is only through the organization of labour that the employer has any guarantee that the award of the Court will be observed. Thus it is only right that those who bear the burden of the Act, namely, unionists, should also be those who gain advantage from its benefits.

He continues—

But the argument in favour of preference is practical rather than theoretic. An award of preference is the unionist's safeguard, because it secures him against the ill-will of an employer in consequence of his having to set the Act in motion.

That is a point which requires careful consideration.

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Mr. ROBINSON.—It is a great point.

Mr. WEBSTER.—The idea seems to be entertained by two juveniles in this Committee that it is their special mission in life to exhibit themselves in the most ridiculous light possible. I am very pleased to say that their efforts in that direction succeed admirably. Mr. Wise continues—

Once this view of the situation is perceived it becomes apparent that the weaker the union the greater the necessity for preference. Weak unions are generally unions which have only been a short time in existence. Their numbers are few, because they are working in a new field and have not proved that they deserve support. If, however, a weak union successfully contests a case against employers, that is, in itself, a proof that the union deserves to be supported by the employees, and an award of preference in such a case will certainly cause its numbers to increase very rapidly. If, however, preference is not given in favour of a numerically weak union, there is always a danger lest in the gradual readjustment of the industry to its new conditions, members of the union will be quietly put upon one side and non-unionists employed.

That is exactly the position. Here, Mr. Wise refers to the case to which I made incidental reference a little time ago—

and in the case of the laundry employees did, guard against this risk by providing penalties against any employer who discharged an employee because he or she was a unionist; but, as every workman knows, cases of this kind are difficult to prove; and it is in the power of employers, if they so desire, to keep within the limits of the award, and yet practically evade it by penalizing unionists. If this practice grew to any extent, a refusal to grant preference to members of a weak union would, in effect, be the granting of preference to non-unionists. I do not know whether this aspect of the case was put before the Court in argument, but it is certainly very desirable that it should be pressed upon the Court at the earliest opportunity.

To my mind, that argument is conclusive. It is the argument of a gentleman who has very closely watched the growth of arbitration legislation, and the practice adopted by the Courts. He is interested in the administration of the law, and is naturally anxious that it shall be made to benefit the classes for whom it was placed upon the Statute-book. Even the honorable and learned member for Parkes will admit that Mr. Wise is capable of analyzing any defects in legislation of that character——

Mr. BRUCE SMITH.—I admit his ability, but I question his impartiality. The honorable member never heard a woman admit that her own baby was ugly.

Mr. WEBSTER.—I do not think that there is any analogy between the two cases. When the honorable member declares that Mr. Wise is biased upon this question, he should recollect that others might reasonably lay a similar charge at his own door.

Mr. BRUCE SMITH.—Why?

Mr. WEBSTER.—The honorable member is charged, more frequently than is any other man in Australia, with entertaining bias upon matters of this character. He strongly resents those accusations, and yet he is the first to charge another man whose arguments are unanswerable, with being biased.

Mr. BRUCE SMITH.—He is not impartial, because he is the framer of the law.

Mr. WEBSTER.—Because Mr. Wise is the political god-father of the New South Wales Arbitration Act, it does not necessarily follow that he is biased in its favour, even though the honorable and learned member may infer that. I would further urge that the members of trade unions have a right to be granted a preference. We know perfectly well that any unionist who takes an active part in bringing a dispute in which his fellow-employés are interested before the Arbitration Court, is frequently a "marked" man. Consequently, if preference be not granted to unionists, he will have no security of employment, and will not be disposed to assist in bringing the wants of his fellow-workers under the notice of that tribunal. On that score alone these men deserve to be protected; they are acting not merely for themselves, but for every one engaged in the trade in which they are interested. Non-unionists have reaped the benefit of all the work done by trade unions during the last half-century. We find that from the days of the guilds industrial organizations gradually passed from one stage to another, until the present system of trade unionism was evolved. The principle of trade unionism grew until it became a potent force in civilization, and unionists, by reason of their numerical strength, were able to demand the rights to which they considered themselves entitled. When those rights were refused, the only course open to them was to resort to the barbarous method of striking. What have the men been advised to do? After the great maritime strike of 1891 those who now desire to cripple unions advised the workers not to engage in strikes, which meant ruination, degradation, privation, and starvation to themselves and their families, but to seek political assistance. They advised the workers to look to our legislative halls for salvation—to secure the

passing of laws which would render it unnecessary to resort to injurious industrial warfare to secure redress. They told the trade unionists that they should seek to secure the establishment of Conciliation and Arbitration Courts, where all disputes between employers and employés could be amicably settled. It was said that, if this were done, we should have no more of those cruel locks-out and strikes that have done so much to undermine the health and prospects of many a unionist and his family. But what do those who took up that attitude say to-day? The honorable and learned member for Illawarra, judging by certain remarks which he has made, is fearful that if preference be conceded to unionists some great injustice will be done to those outside their ranks. He, like others, desires to undermine trade unionism. He thinks that other organizations should be established in order that this legislation may be effective. To create such organizations, however, would be to bring down unionism, and to erect something in its stead which would have far less to recommend it. Abundant evidence of the wisdom of the principle of preference to unionists is to be found in the New Zealand *Law Reports.* At page 878, Vol. 18 of the *Law Reports* of that Colony for 1900, honorable members will find the report of a judgment delivered by the Full Court of New Zealand, in an appea' against a preference award, in which the Bench clearly indicated that no arbitration law could be effective unless it provided for preference being granted at the discretion of the Court. The whole history of trade unionism shows that most industrial disputes have arisen from the employment of non-unionists. As one who has had nearly thirty years' experience of trade unionism, during which I have seen many strikes, not only in Lancashire and North Wales, but in New South Wales, and other parts of the Commonwealth, I can honestly say that the bulk of these disputes have arisen from the employment of non-unionists against the will of the majority of those engaged in helping the employer to carry on his industry. All through the piece, we have had this trouble with non-unionists, and unless we give the Court power to grant preference in the way proposed by honorable members of the Opposition, we shall not remedy the present condition of affairs. If the Court be given power to grant preference to unionists, non-unionists will be induced to join their ranks, in order to participate in the advantages for which unions have fought on behalf of all engaged in the industries they represent. Unless we can have such a measure as that which has been in operation in New South Wales for the last year or two, we shall not secure the results at which we are aiming. The New South Wales Act has given security to both employers and employés, and, as the result of it, unions and unionists have doubled their numbers. In 1900 there were only thirty-four unions in New South Wales, whilst to-day there are seventy. Non-unionists have been induced to join the ranks of unionism, because of the advantages which they thus secure, and strikes are unknown in the State. Will honorable members say that the price which the Opposition asks is too much to pay for such a grand achievement as the abolition of strikes and locks-out, with all the loss and oppression which they entail? Knowing what this means to the future of unionism—knowing, as I do, that unions will not register under this measure if it be passed in the form proposed by the Government, but will prefer to remain outside and retain the power to exercise their present rights—I ask the Committee to pause before they agree to pass a Bill which will never be effective. By proposing practically to make preference to unionists impossible, honorable members opposite are striking a blow at unionism. Many of them profess to be the champions of unionism—they are never weary of saying what they have done for the cause—and they should not now disgrace their record by placing upon the statute-book a law that is going to have the effect that this measure will have upon the large organizations. Do honorable members opposite know that the Shearers' Union are waiting for this Bill to be passed in such a form that they can avail themselves of it? As the seasons improve, the numbers of flocks and herds will grow in the natural course of things, and in a year or two at the latest this Bill will be absolutely essential to settle the relations between employers and employés in the pastoral industry. Yet honorable members opposite propose to shut out the Shearers' Union by asking them to prove something which they cannot prove. The Prime Minister may argue as he likes about the interest and the rights of the poor non-unionist. But non-unionists have never fought for the advantages which the unionists have secured for them. The Prime

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Minister champions their view, and says that it is not fair to give preference to unionists, because to do so would be to injure the poor non-unionist. The hollowness of that appeal will be shown when it is made clear that the unionists cannot take advantage of the measure. The men whom it is proposed to benefit would give honorable members all the credit if they passed such a Bill as would enable them to register, and under which they could gain the advantages that they ought to gain from such a beneficent piece of legislative work. Why should we not trust the Court in this matter of preference? If honorable members are not prepared to do that, they certainly ought not to impose upon the unions the duty of proving whether there are more persons outside the unions affected by preference than there are inside. We ought not to force upon the unions the onus of proof. Let the onus be thrown upon the non-unionists of proving that they are in a majority. Honorable members are simply demanding from the unionists something which they have no right to demand. Let them consider the position of the New South Wales Arbitration Court to-day. Look at the marvellous harvest that the members of the legal profession have reaped from it. Every doubtful point in this Bill will be of benefit to the lawyers. I pity the unions that have to work under a law of this kind. How many arguments could be raised under it from which the legal gentlemen would obtain fees and refreshers day after day! I know that the whole of the funds of some of the smaller unions in New South Wales have been taken from them, and they have been left practically penniless in the mere endeavour to place before the Court some question which it was necessary to have decided. I know of a case where £200 of the funds of a union and £400 of the funds of the employers was absorbed in preparing a case to submit to the Court. When twelve months had gone by, and, owing to the block of business before the Court, the case had not come on, and the relations between the parties were becoming strained, they met together—as they might have done in the first instance if the legal gentlemen had not kept them apart—and settled their differences in an hour. What benefit would the unions derive from this Bill, if it were placed upon the statute-book? Its effect would simply be to burst them up. The Bill will simply rob them of their funds through its ill-digested provisions, and, at the same time, they will be robbed of their political rights. It is said that the preference provision means increasing the number of unionists. What objection can those honorable members who speak of the advantages which unions have conferred upon the working classes, have to that increase? What objection can any one have to unionists endeavouring in a legal way to improve the position of the class to which they belong? What objection can there be to their helping to better the condition of the workers? Non-unionists have never in the past shown any desire to attain that end. I have no wish to occupy more time than is necessary on this question, but if, as seems evident, a brutal majority may be willing to force this clause upon the Committee, I ask the Prime Minister, even at this late stage, to reconsider the matter.

Mr. JOHNSON.—I desire to know whether the honorable member is in order in referring to honorable members on this side as "a brutal majority"?

The CHAIRMAN.—The words used, if applied to honorable members on either side, would be improper, but I point out that the honorable member for Gwydir is stating a supposititious case.

Mr. REID.—I do not care how brutal it is if it is a majority. A brutal minority is what I object to.

Mr. WEBSTER.—I can readily understand the right honorable gentleman's general attitude on this question, in view of the position which he takes up now.

Mr. REID.—I say that of the two I should prefer a brutal majority to a brutal minority.

Mr. WEBSTER.—The right honorable gentleman, in saying that, induces me to remind him again that in this clause he is advocating the domination of an unfair, if not a brutal, majority. He is asking men who are organized, who can prove that they are tradesmen, who are known by their association with unionism, and have worked for the union movement for years past, in their own interests, and in the interests of the community, to bow to a majority of persons who have no title to be considered unionists, who are not tradesmen, or who need not necessarily be tradesmen, and who may be gathered from the four corners of the earth. It matters not to the right honorable gentleman whether these persons form a brutal or an unfair majority, or one that has no right to demand preference at the hands of the Court, so long as it is a majority prepared

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to down the trade unions of the Commonwealth. So long as these persons form a majority hostile to trade unionism, as it exists in Australia to-day, and ready to defeat or hinder the growth of the union movement, that is all the right honorable gentleman cares about. I never thought that we should find the present Prime Minister advocating a policy of that kind at this hour of the day. I am satisfied that he does so because of the influence exercised upon him by the association in which he has lately found himself. What a very different type of politician we had in the right honorable gentleman when, supported by the Labour Party, he was induced to introduce liberal legislation in the New South Wales Parliament. I suppose that the right honorable gentleman is forced to adopt this course, and to place on the statute-book a law which will rob trade unionists of their existing rights and privileges, whilst it will give them nothing in return. This measure, if passed in its present form, will not only take away the incentive to men to become unionists, but will absolutely offer an inducement to members of unions to leave them. What incentive can there be to any man to join a trade union when non-unionists are given all the privileges of unionists without having to pay any contribution to a union, without incurring any expense, or being liable to penalties imposed by the Court, or to dismissal or boycotting by employers, as unionists have been in the past? Under these conditions, where will be the inducement to men who are already members of unions to remain in them? This is a subtle attempt on the part of the Government to undermine unionism in Australia. If the Prime Minister is willing to strike out the objectionable qualification of this provision, and trust the Court, on the merits of each case, to decide whether unionists are entitled to preference, he will expedite the passage of the Bill, for although it will not then be all that we desire, it will be a more liberal measure than it now is, and it will probably not be the inoperative Bill it certainly will be unless this course is adopted. The right honorable gentleman does not intimate that he is prepared to accept that suggestion. He has no intimation to make, because he believes that he will have a majority of one or two to support him. Many honorable members are anxious to get home, and it is a pity that they should be, under the circumstances. For the sake of their own convenience, some honorable members would appear to be willing to sacrifice the interests of a very large body of men, but I say that I am prepared to stand here as long as I am physically able, rather than allow the Government to impose legislation of this character on the class to which I have belonged for the last thirty years, and whose wants and aspirations I so thoroughly understand. One man, however, cannot pretend to combat the forces on the other side. They are not forces who rely on logic and argument to convince those opposed to them. They are forces united for one object, and one only, and that is to strike a blow at trade unionism throughout the Commonwealth. I have finished for the time being. There may be more to be said on the clause which has yet to be dealt with, and if other points arise that I have not yet had an opportunity of discussing, I shall be very pleased to deal with them.

Mr. Kennedy.—What are the honorable member's objections to this amendment?

Mr. WEBSTER. — It is evident that I require something more than my tongue to penetrate the honorable member's perception. In the circumstances, I regret that I can only offer the honorable member my sympathy. I shall not delay the Committee longer at this stage, but I shall consider later on whether there is anything further that I should add to the discussion of this subject.

Mr. SKENE (Grampians). — There is just a word or two I desire to say.

Mr. Mauger.—Honorable members are having a good many words to say.

Mr. Webster.—And quite right, too!

Mr. SKENE.—There seems to be a great deal of misapprehension as to the matter under discussion. Every honorable member on the other side has asked us to "trust the Court." But what are we to trust the Court to do? To administer the law or to make law? Under the amendment proposed by the honorable and learned member for Corinella, we directed, practically, that the Judge must satisfy himself as to the majority. But what is the meaning of "substantial number"? One Judge may decide one number to be a substantial number, and another Judge may fix upon another number; and, practically, the Judge will have the making of the law. In my opinion, there is no argument whatever in the cry, "Trust the Court."

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Mr. MAUGER.—Why not have the law the same as in New South Wales and New Zealand?

Mr. SKENE.—I do not know what takes place in New South Wales and New Zealand. Another matter which we ought to settle is how the Judge is to arrive at a conclusion. The Prime Minister properly pointed out the other night that the unionists ought to be easily counted; but there is no doubt that the other side will be required under the proposed amendment to show—and will have difficulty in showing—by statistics that there is a majority against preference. We on this side have the advantage that we know what we desire to trust the Court to do, whereas the other side apparently do not know.

Mr. BATCHELOR (Boothby).—I know that the Committee are anxious to get to a division, and I shall not detain honorable members more than a few minutes. The greater part of the criticism which has been levelled against the amendment of the leader of the Opposition has been altogether irrelevant. The criticism may not be irrelevant from the point of view of parliamentary procedure, but it is really not consequent on the proposal before us. The question we have to decide is really a narrow one, and it appears to me that the criticism directed against the proposal of the leader of the Opposition applies with equal force to the proposal of the Government. The Prime Minister has given us a tirade against preference generally, and, from his point of view, he made the most fervent appeal to the "gallery." If preference to unionists means the tyranny of the minority, the tyranny remains, whether it be exercised by a minority or a majority. In considering the question before us, we should have regard to the whole scope and object of the Bill, and that point of view has, I am afraid, been frequently lost sight of. A good many of the provisions of the Bill are necessarily drastic, and it is only when we realize that the object of the measure is to bring about industrial peace that we can bring ourselves to support some of the proposals. For the sake of industrial peace, the employés have to give up the right to strike, and employers have to give up the right to lock-out their workmen. The right of the employers to lock-out their employés applies not only to the latter *en bloc*, but also individually, because they are members of trade unions; and hence it seems to me that, without preference, we cannot possibly have a compulsory Conciliation and Arbitration Bill. From that point of view, it appears to me there is no solid argument against leaving it to the Court to decide whether in the particular case preference shall or shall not be granted. Preference is at the bottom of the whole Bill—without preference the organizations could not be maintained. It is absolutely necessary that strikes and locks-out shall be made impossible, and on that ground it appears to me imperative that preference must be maintained. As to the coercion of non-unionists which seems to be feared, it must be remembered that unionists are not only fighting for themselves, but for non-unionists as well, and that the door is open for them all to come in. That being so, there cannot be any kind of tyranny. All that non-unionists are asked to do is to come in and do their share towards maintaining organizations which are for the benefit of all. I do not intend to take up any more time, but, as this is the one question arising out of the Bill which has caused more discussion than any other, I preferred not to give a silent vote.

Mr. TUDOR (Yarra).—I am sorry the Government are not prepared to accept the amendment. The original proposal of the present Minister of Defence was inserted in the Bill at a late hour on a Friday afternoon. Some honorable members who had gone away, or had paired on the other proposal, were not aware that another amendment would be proposed. We know that when it was inserted, many honorable members on the other side were quite willing to place a handicap upon the unionists, and make the Bill ineffective. To my mind, preference to unionists is the keystone of the measure. Unless the unions get preference, they will be very loath to register under the Act. Many unions have declared that sooner than have the Bill carried in its present form, they would prefer that it should be dropped. The Prime Minister has said that only three or four unions can be affected by this legislation; but it is very hard to estimate how many unions are likely to be affected. Until a case has been taken to the High Court, we cannot know whether certain trades can be brought within the operation of the Bill. Many unions have been looking forward to the passing of this measure as a relief. The president of the Shearers' Union said the other day that it would not register if the amendment of the honorable member for Bland were defeated. It has

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been stated that that organization could easily prove that it represented a majority of the shearers. It is very hard to say what organizations can furnish that evidence. Many persons follow a trade occasionally, and it might be assumed by the Court that they were still following their trade, and that they would therefore have to be counted before it could be ascertained whether the claimant union represented a majority. The honorable member for Grampians asked the honorable member for Newcastle this afternoon if it were proposed to take a poll. Unless a register of all those engaged in a calling be kept, I do not see how it can be proved whether the unionists or the non-unionists constitute a majority. The proviso which was inserted at the instance of the Minister of Defence covers more than those who are actually engaged in a trade, for it uses the words "the majority of those affected by the award." That phrase may cover not merely those engaged in a trade, but also those engaged in kindred trades. Suppose a trouble arose in the coal trade, and that, as a consequence, the price of coal went up. Immediately the wood-carters would become affected. It would be very hard for the Court to tell who were affected by the award, and who were not. In order to ascertain where the majority lay, the Court would have to take into consideration the kindred trades. Honorable members on the other side have urged that unless the proviso of the Minister of Defence be retained non-unionists will suffer. From their arguments one would assume that there would be a certain quantity of work taken away from them, that if the unionists got the work they would probably do more than the non-unionists. If the non-unionists are to suffer from the unionists getting preference, it proves that the latter must possess a higher degree of skill since they are able to do more work than the former. I know that often when there has been a shortage of work the unionists have often resolved—and in the case of some unions, it operates all the year round—that the work shall be divided up as fairly as possible amongst those engaged in the trade or calling, but if the non-unionists get the preference, they could come along and take as much work as they could get. Certain honorable members desire to see unionists suffer. They are prepared to punish men for trying to improve their position. In opposing the amendment of the honorable member for Bland the other night, the Prime Minister said that non-unionists would suffer unless they were given an equal opportunity. I maintain that they will have an equal opportunity with the unionists, because every non-unionist will have a chance of joining a union. It has been provided in the Bill that non-unionists shall be admitted to the unions on payment of a moderate entrance fee. That is, I believe, a step in the right direction. I have never been in favour of a union being a close corporation for the benefit of a few persons. I admit that in some trades a degree of skill is necessary, and the unions have, I think, rightly insisted that its members should possess that qualification. In that respect the unions have rendered a good service to the community. It was stated by honorable members sitting behind the Ministry the other day that agricultural labourers had never asked that they should be brought within the operation of this measure, and that we could not cite one case where the request had been made. I ask them to mention one case where non-unionists have asked that preference to unionists be done away with. I do not think that a dozen non-unionists could be found in Australia who would be prepared to ask the House to cripple unionists. The improved conditions under which non-unionists labour to-day are largely due to the work which has been performed by unionists. Last week honorable members opposite objected to the application of the provisions of the Bill to agricultural labourers on the ground that no agricultural labourer had asked to be brought within its scope, and, therefore, I ask them, do they know of a single non-unionist who has objected to giving preference to unionists? To my mind, the principle of preference to unionists is the keystone of the Bill. We have been told that preference to unionists is not provided for by the Victorian Factories Act, but, as I have pointed out before, the omission of some such provision has caused the boycotting of unionists and others who have taken an active part in connexion with the operations of the Wages Boards. Most honorable members know that it is the trade unionist who has always fought for the improvement of the conditions of the workers, and yet they will not allow him to share in the advantages which he has gained for his class. The honorable member for New England said the other night that those who are opposed to the proviso would

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allow the non-unionist to starve. That is not so. The giving of preference to unionists would not decrease the volume of work to be done. Whether the Bill is passed or not, the amount of work to be done will remain the same, but those who contend that the giving of preference to unionists would compel non-unionists to starve, must be prepared to give preference to non-unionists, and see the unionists starve. Although honorable members who support this proviso say that to do so would give effect to majority rule, they know that its insertion will cripple the Bill. Every opponent of arbitration in the Chamber voted for the proviso. Those who would have voted against the second reading of the Bill, had there been any chance to defeat it then, voted for the proviso.

Mr. BRUCE SMITH.—But some of those who are in favour of arbitration generally voted against giving preference.

Mr. TUDOR.—I admit that, though a number of others who only professed to be in favour of arbitration, and who were anxious to clip the wings of the unions, voted against it. The unionists are learning lessons from the past, and are paying less attention to the old trade union methods.

Mr. BRUCE SMITH.—New functions are being added to the unions.

Mr. TUDOR.—They are organizing for political action, though, as I pointed out last week, when the honorable and learned member was absent, I have never known a trade union to issue instructions to its members as to how they should vote, and I could give dozens of instances in which union officials have voted against selected labour candidates. For instance, union officials were on the committee of the honorable and learned member for Bendigo prior to the last general election, notwithstanding the fact that a selected labour candidate was in the field.

Sir JOHN FORREST.—I suppose they got into trouble over it.

Mr. TUDOR.—No. One of them was elected general secretary of the organization at the next conference, three or four months afterwards, without opposition. Some of the branches of the union objected to his action, and I believe it has since been realized by those who were content with the old trade union methods, that a mistake was made in not supporting the selected labour candidates in the past. I can speak with authority on this subject, because I have been connected with unions for a number of years, and have held official positions in England and America, as well as in Australia. The action of honorable members opposite in regard to this Bill will have the effect of solidifying unionists, and causing those who have hitherto been content to take their politics from members who are not labour members to vote for labour candidates. I believe that the unionists are rapidly learning at present. The new division of political parties which now exists has taught them something. The Prime Minister the other night, in opposing the giving of preference to unionists, spoke of the Machine Shearers' Union as bogus, although the honorable member for Wentworth has paraded the fact that its numbers are growing, while the membership of the Australian Workers' Union, whose president is the honorable member for Darling, is decreasing.

Mr. HIGGINS.—We have the evidence now.

Mr. TUDOR.—I believe that a decision was given yesterday in the High Court of Australia on that point.

Mr. ROBINSON.—No, not on that point.

Mr. TUDOR.—I have not read the judgment, but the honorable and learned member for Northern Melbourne says that the decision of the High Court is practically in that direction.

Mr. HIGGINS.—The Court decided that the union must give evidence.

Mr. TUDOR.—As to its official standing—to show whether it is genuine or bogus. That is all that is required. Honorable members know very well that if the members of the Machine Shearers' Union were to give evidence before the Commission, it would be proved beyond the shadow of a doubt that the union was a bogus institution, and could not exist but for the assistance afforded by the Pastoralists' Union of New South Wales, and possibly also of the Pastoralists' Association of Queensland.

Mr. BRUCE SMITH.—The motion for the appointment of the Commission was moved by the secretary of the Australian Workers' Union, and he became a member of the Commission.

Mr. TUDOR.—That is nothing.

Mr. ROBINSON.—It is a public scandal.

Mr. TUDOR.—There was nothing wrong in that. If we decided to appoint a Commission to inquire into the question of admitting Japanese into Australia, I could not conceive of a better chairman than the honorable and learned member for Parkes.

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I have no objection whatever to honorable members coming out in their true colours as supporters, not so much of non-unionists as of the employers. We know that they have done everything they can to destroy the power of the trade unions, and I have no doubt that a majority of honorable members opposite would rejoice if the Trades Hall in this city were swept away.

Mr. Liddell.—Hear, hear.

Mr. TUDOR.—The honorable member, who is no doubt a member of the Medical Association, and thinks it necessary to protect the interests of the members of his profession, is unwilling to grant to those who are engaged in industrial occupations the right to similarly safeguard themselves. Under the proviso, the trade unions would be absolutely crippled. Their right to strike will be taken away by the Bill.

Mr. Bruce Smith. — So also will the right of employers to lock out their men.

Mr. TUDOR.—Yes. But we know that the employers could resort to a hundred and one means of overcoming that difficulty. They could declare that work was slack, or that there were no orders, and they could absolutely close down their works. It would be impossible for the Court to prevent them from doing that.

Mr. Bruce Smith.—The honorable member will admit that it would be equally easy for a workman to say, "I want to go to a more genial climate."

Mr. TUDOR.—I did not catch the honorable and learned member's interjection. The non-unionists have not expressed any objection to the granting of preference to unionists. and I do not see any reason why any special objection should be raised to the amendment of the honorable member for Bland. The Minister of Defence said that he thought he had conceded too much.

Mr. McCay.—That was in answer to a statement that, in conceding so much, I had conceded the whole position.

Mr. TUDOR.—I understood the Minister to mean that he had conceded too much in granting preference at all.

Mr. McCay.—No.

Mr. TUDOR.—I believe that a number of honorable members opposite object to preference in any shape or form. The honorable member for Parramatta, speaking as an old trade unionist, said he thought that the proviso would not work ill. As an old trade unionist myself, I think it will work ill. Unless the unionists have the right to claim preference, the men who take an active part in trade unions will be deprived of the protection they will need to enable them to secure employment.

Mr. McCay.—The proviso will not prevent men from obtaining preference.

Mr. TUDOR.—No, but it hedges round the preference with conditions with which it will be impossible to comply. I believe as a trade unionist who has had a fair amount of experience, that it will be absolutely impossible for many unions to prove that they represent a majority of those who will be affected by an award.

Sir John Forrest.—Not in the case of the Seamen's Union?

Mr. TUDOR.—No doubt, in the case of some unions, where adults only are employed, it will be very easy to comply with the conditions. We are not, however, legislating for that particular union. If we were we should provide that the Bill should apply only to the Seamen's Union.

Mr. Bruce Smith.—There are only two unions which have inter-state relations.

Mr. TUDOR.—I do not exactly understand the honorable and learned member, but I suppose he refers to unions in industries which overlap from State to State.

Mr. Bruce Smith.—Exactly.

Mr. TUDOR.—I think that there are more than two such industries. It is impossible for us to tell what the Court would hold to be a dispute extending beyond the limits of any one State. If a dispute in the boot-making trade in Melbourne spread to Adelaide or to Brisbane, I have no doubt that many honorable and learned members would be prepared to argue that it extended beyond any one State, within the meaning of the Constitution, because the men in Adelaide, Melbourne, or Brisbane would be seeking to fix upon a common price-list, and to establish a common standard.

Mr. Bruce Smith.—If the operations of a union do not extend beyond one State into another, any dispute in which it may be concerned must be a matter for the State Court.

Mr. TUDOR.—That is a matter for argument before the Court, and no one in this Chamber, or out of it, could at present say definitely what would constitute a dispute extending beyond any one State. I hope that the amendment proposed by the honorable member for Bland will be adopted. I admit that I should have preferred to leave everything absolutely to the Court—to leave it to judge upon the merits of each case, and to decide without restriction whether preference should be granted

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or not. The more we hedge the Court round with restrictions, the worse will be its decisions.

Mr. BRUCE SMITH (Parkes).—In the course of the few remarks I made at an earlier stage of the debate, I referred to a union in New South Wales, concerning the name of which I was uncertain. I find that the union in question was not the Workers' Union of New South Wales, but the United Labourers' Society.

Mr. WEBSTER.—That is a different thing altogether.

Mr. BRUCE SMITH.—I was using the union merely as a peg upon which to hang an argument, and I was pointing out that it had entered into commercial operations with funds which were subscribed to provide insurance against accidents and sickness. I referred also to a statement made by the honorable and learned member for West Sydney, to the effect that an organization created solely for the purposes of this Bill, apart from the ordinary objects of trade unions, could be maintained at a cost of ½d. per week per member, and I said that he had stated, further, that the subscription to the Wharf Labourers' Union in New South Wales was 1s. per week. I find from conversation which I have since had with the honorable member for West Sydney, that he admitted that organizations created for the purposes of this Bill would cost only ½d. per week. He also believes that it is the Seamen's Union, and not the Wharf Labourers' Union, to which the subscription is 1s. per week.

Mr. JOHNSON (Lang).—So far as I am personally concerned, the charge made by the honorable member for Yarra, that honorable members upon this side of the Chamber are opposed to trade unionism does not hold good. I have always maintained that trade unions—provided they are voluntary organizations of men who have banded themselves together to protect their own interests—are perfectly legitimate and lawful organizations. So long as they do not seek to gain some advantage for themselves at the disadvantage of other members of the community, I see no possible objection to them. At the same time, I have always opposed the granting of preference to unionists, because such a principle is pernicious, and is a negation of that equal liberty which is the very foundation and base of true democracy. Indeed, it will be recollected that when this Bill was under consideration upon a former occasion I moved to excise the provisions relating to the principle of preference. Unfortunately, from my stand-point, that proposal was defeated. Consequently I voted in favour of granting preference to unionists with certain safeguards protecting the rights of majorities, as the next best alternative. But I do not believe in the compromise which was effected. I claim that the machinery of the law ought never to be called into operation for the purpose of differentiating between one set of men and another engaged in any lawful occupation. All citizens should be equal in the eyes of the Legislature, which should never depart from the recognition of that principle. We have departed from a recognition of that principle in this Bill, even in the form in which it left this Chamber. Personally, I am of opinion that the preference provision should be entirely eliminated. I have no doubt that in the absence of such a provision the Arbitration Court would, unless specifically instructed otherwise, use a wise discretion, and in cases where justice seemed to demand it, extend preference to unionists. But to enact that it shall give such preference is entirely a different matter. If it be true that the most skilled workmen are to be found in the various trade unions, there is no need to pass a law directing that preference shall be extended to them. If the best men are within the ranks of those organizations, employers will naturally endeavour to secure their services, and, in so doing, will be compelled, from the standpoint of self-interest, to extend preference to them. I claim that in this clause an attempt is being made to force all men to join trade unions. From that standpoint, it constitutes an infringement of the liberty of the subject which I cannot tolerate. In this connexion I cannot refrain from expressing surprise at the action of the representatives of labour who have always declared in favour of equal rights being granted to all. Why they should demand a privilege, not merely for one class of the community, but for a section of a class, is beyond my comprehension. Their action is tantamount to a denial of the principle of equal justice, and is absolutely indefensible. Not the slightest justification has been offered for it. No equitable reason has been advanced in support of such a preposterous proposal.

Mr. BRUCE SMITH.—It is really opposed to the spirit of the Constitution.

Mr. JOHNSON. — Undoubtedly it is. If this question be judged from the standpoint of majority rule, there is no justifica-

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tion for any such proposal. Indeed, if special consideration is to be given to any, it should be given to the non-unionists, seeing that they constitute a majority of the persons engaged in most industries. The machinery of the law should never be invoked to impose the will of a minority upon a majority.

Mr. Hume Cook.—The honorable member wishes to penalize unionists.

Mr. JOHNSON.—I have no desire to do that. If the best men are unionists, they must obtain a natural preference, and honorable members opposite have repeatedly urged that the most capable workmen are to be found within their ranks. If that be so, they will secure preference under the laws which govern supply and demand.

Mr. Joseph Cook.—Why argue against preference, seeing that the principle is contained in the Bill?

Mr. JOHNSON.—I do not believe in any preference being granted to unionists, and I had the courage to express my convictions, as honorable members are aware. I claim to be as honest and sincere a friend of labour as is any honorable member opposite, but I do not pick out one section of workers and set up a claim on their behalf to the disadvantage of all other sections.

Mr. Bruce Smith.—The honorable member believes in granting preference to the best men?

Mr. JOHNSON.—In the absence of this clause, the best men will, in the ordinary course, obtain preference. Of course, if an employer chooses to pay the highest wages to the most unskilled workman, that is his own affair; but I have not met many employers of that character. Most of them conduct their businesses upon commercial lines, and naturally they will not pay the highest wages to the least skilled workman. During the course of this discussion, I have noticed a disposition not only to extend a preference to unionists, but also to make trade unions partake of the character of close corporations by restricting their membership. When pressure has been brought to bear to compel unions to open their ranks to the admission of new members—and even the powers of the Arbitration Court of New South Wales have been invoked to prevent men being excluded—they have resorted to other practices to keep them out. We know that some unions have adopted what is called the "trying-out system." Before an applicant is allowed to join he is set a certain task, which has to be performed to the satisfaction of the union to which he desires to gain admission. In a recent case in connexion with the Coopers' Union——

Mr. Hume Cook.—That has already been dealt with.

Mr. JOHNSON.—But the point cannot be too strongly emphasized, especially in view of the arguments which have been addressed to us by honorable members opposite. I wish to briefly refer to the case, in order to show that various practices are resorted to in order to make close corporations of trade unions. The members of these unions desire, not only to secure preference, but to obtain a monopoly of the work in their respective trades, and thus force many men to be non-unionists by placing barriers in the way of their joining their ranks. Mr. James Conway, a non-unionist, who desired to enter the Coopers' Union, was set a task outside the scope of his usual labour—a task which perhaps no member of the union could have accomplished. He had been a cooper for about six years, and was an expert in a special branch of the trade. Knowing this, the members of the union were not content to test his capacity in the branch of the trade with which he was most familiar, but set him a task relating to a wholly different section. As honorable members are familiar with the case, I need not deal with it more fully. I mention it merely as an indication of the practices which are resorted to in order to prevent men from joining a union. It is all very well for honorable members opposite to say that there is no attempt to coerce men into joining unions, and that preference to unionists would not prejudicially affect non-unionists. The fact remains that non-unionists would either have to join unions when the doors were open to them, and thus participate in the preference of employment, or accept the remaining alternative of starvation. On the one hand, we find honorable members opposite seeking to restrict opportunities of employment to members of unions, and thus by coercion forcing men to join unions or starve; and on the other we see some unions trying to secure a monopoly of work for their present members only by blocking the admission of new members. That is a form of coercion which is absolutely opposed to the most cherished principles of British justice. For the reasons I have stated I have absolutely opposed the principle of preference, and shall vote, as I did

before, for the Bill as sent by us to another place.

Sir WILLIAM LYNE (Hume).—I wish to say a few words before the debate closes, because it seems to me that efforts have been made by the Prime Minister and his followers to lead the public to believe that the Government are not in favour of preference to unionists. I find, in travelling through the country, that a large number of conservatives are under the impression that the Prime Minister is fighting desperately against the extension of preference to unionists; although, as a matter of fact, that question is not really under consideration. The principle of preference is already provided in the Bill being pushed through by the Prime Minister. When the honorable and learned member for Corinella moved the amendment which resulted in the Watson Government leaving office, because the House would not consent to the recommittal of the clause, honorable members now sitting on the Opposition side of the Chamber protested that the clause, as amended, practically rendered it impossible to ascertain whether or not applicants for preference represented the majority of those affected in their industry. The Government and their followers persist in asserting that the McCay amendment is in no wise detrimental to the principle, and would not be a serious obstacle in the way of the Court dealing with an application for a common rule. If I could accept that view of the position, I should have no objection to the clause as proposed by the Government, but my feeling, which is shared by the Opposition generally, is that it would lead to a great deal of trouble, and render it practically impossible for an organization to approach the Court. What I wish to emphasize is that if honorable members opposite say that the proviso inserted on the motion of the honorable and learned member for Corinella is not an obstacle in the way of the Court dealing with the question, they must admit that the Prime Minister and his followers are knowingly supporting a Bill which provides for preference to unionists. It is, therefore, impossible for the Government and their followers to hoodwink the public.

Sir JOHN FORREST.—Their supporters.

Sir WILLIAM LYNE.—Their followers. It is useless for them to seek to hoodwink the conservatives, as they are attempting to do, and to endeavour to lead them to believe that they are fighting their battles against preference to unionists. I freely admit that I dislike the amendment which has been submitted by the leader of the Opposition, just as I dislike the clause with the proviso carried on the motion of the honorable and learned member for Corinella. I shall merely vote for the amendment moved by the leader of the Opposition, because I object to the clause as it stands. I notice, in looking over the speech delivered last Thursday by the Prime Minister, that he said that it would be infinitely better for the persons who are not unionists to leave it to the Court absolutely, than to have the onus of proof put upon them. That is what the Opposition say in regard to the position of the unionists. If it is good for the one, it must be good for the other. I hold that it would be better to leave the Court free to decide in every case whether or not a majority of those employed in the industry desired to have preference granted. I shall vote for the amendment moved by the leader of the Opposition, only because I object to the proviso inserted on the motion of the honorable and learned member for Corinella. The author of that proviso denies that it would render it necessary in some cases to take a poll of all persons engaged in an industry from the north to the south, and from the east to the west of Australia. But, take the case of sailors.

Mr. BRUCE SMITH.—All of them are members of unions.

Sir WILLIAM LYNE.—And the clause practically provides that a poll must be taken——

Mr. SKENE.—No.

Sir WILLIAM LYNE.—In what other way would it be possible to ascertain the opinions of all the sailors employed round Port Darwin, along the western coast of Australia, round the south and east of Tasmania, and then up to North Queensland? How is it practically possible to have a ballot of that kind? What expense and time would be involved if an application were to be made to the Court for a common rule, and if such a ballot had to be taken?

Mr. BRUCE SMITH.—There is a census in each State, showing the persons engaged in every industry.

Sir WILLIAM LYNE.—But it is necessary to show the desires of every individual in an industry in regard to this question.

Mr. MCCAY.—No, no.

Sir WILLIAM LYNE.—But I say, "Yes, yes." It is necessary to find out whether a majority are favorable to preference or not. That, in my humble opinion,

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is the practical effect of the Bill. It is all very well to say that there is a census, but the census does not show those who are in favour of a common rule being granted in a particular industry. Suppose five or ten thousand men engaged in a particular industry in Western Australia desired to appeal to the Court. Then, in some way or other, the Court must be shown whether a majority of the persons engaged in the industry affected are in favour of the application which is made.

Mr. Bruce Smith.—The Court will assume that every one in the census who does not claim preference, is against it.

Sir WILLIAM LYNE.—I think that the honorable and learned member is absolutely wrong. The Court will, by its regulations, compel any organization that applies under this provision, to show whether a majority in the industry is, or is not, favorable to the application. The Judge would not be doing his duty if he came to any haphazard decision. I hold that it would be better to leave it to the Court to decide, without dictating what should be done by the applicant. For these reasons, I think the Bill, as it stands, is absolutely wrong. I do not wish to cast imputations upon those who vote for this provision, but the honorable member who last spoke, said that he is against preference altogether. Nevertheless, he intends to vote for the Bill containing this provision. It appears to me that he must have a very strong conviction that the clause will practically destroy the principle of the Bill. There is no other logical conclusion. I must assume that those who are against the Bill, and who, nevertheless, vote for this clause, do so with the desire to destroy its provisions.

Mr. JOSEPH COOK (Parramatta).—The speech of the honorable member for Hume was a most remarkable one, and about as good a specimen of "yes-no" as I have ever heard in this Chamber. He rose solemnly to warn the conservatives of Australia that the Government and their followers were conceding preference in this Bill, and, in almost the next sentence, he announced his intention to vote against the clause, because he said it would make the grant of preference practically impossible.

Sir William Lyne.—I never said anything of the kind.

Mr. JOSEPH COOK.—I withdraw the word "impossible," and say "impracticable." The honorable member can take any change out of that.

Sir William Lyne.— The Bill, as it stands, is impracticable.

Mr. JOSEPH COOK.—Because of this amendment; yet, the honorable member reminds the conservatives that this same clause is going to give preference. The honorable member may very well be left to wriggle on the spike on which he has impaled himself.

Mr. McWILLIAMS (Franklin).—I also wish to make my position clear. I am opposed both to the provision as it stands and to the amendment moved by the leader of the Opposition. The Bill has fallen almost into the position of an unfortunate child left on a workhouse doorstep. At first it was fondled by every one, but now no one seems to want it. In my opinion, the Bill, as it stands, is a farce.

Mr. Watson.—There is one candid man on the Government side.

Mr. McWILLIAMS.—I am opposed to preference wholly and solely, and my regret is that a clear cut issue is not put before the Committee as to whether preference to unionists shall find a place in the Bill. As matters stand, I believe that it will be a matter of some difficulty to obtain a decision which will enable the Court to obtain a definite knowledge as to whether the unionists have a majority or otherwise. But I say still further, that it would be utterly impossible for the non-unionists to prove that they were in the majority. Take, in my own State, the district represented by the honorable member for Darwin. The great majority of the workmen in the mining district in that electorate are working miners. A small proportion of them are members of a trade union. While it would be possible for the unionists to show their numbers from their books, the honorable member for Darwin will bear me out in saying that there are scores of men there who are away in the wilds week after week, sometimes month after month, and it would be impossible for any one to obtain a poll to show whether the non-unionists were in a majority or in a minority. Therefore, the leader of the Opposition is asking us to make the Bill an absolute farce by imposing conditions which every reasonable man must know are impossible. How would it be possible to take a poll of the working miners not represented in the unions? How would it be possible to obtain their numbers? Would special delegates have to be appointed to go from field to field hunting up all the gully-rakers of the alluvial flats, and finding out all the prospectors, to

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discover whether they were in favour of preference to unionists or not?

Mr. KING O'MALLEY.—We could take the statistics of the people engaged in the calling.

Mr. McWILLIAMS.—I think there is some point in what the honorable member for Hume has said. Although the Government statistics will show the number of men engaged on the fields, and their books will show the number of unionists, neither of these statistics will show whether the men are in favour of preference to unionists. I admit at once that a considerable number of workers outside the unions would be prepared to vote for preference to unionists. But how would that be found out under the amendment proposed?

Mr. WATSON.—How could it be found out under the amendment agreed to on the motion of the honorable member for Corinella?

Mr. REID.—By an organized vote.

Mr. McWILLIAMS.—It will be impossible under this provision to get a poll of persons outside the unions.

Mr. WATSON.—Then why vote for the amendment of the honorable member for Corinella?

Mr. McCAY.—Because it deals with persons who are in the union.

Mr. WATSON.—The honorable member is aware that all who will be affected will not be members of unions.

Mr. McWILLIAMS.—Honorable members will credit me with making no attempt to hide my views on this question. I have voted steadily against preference to unionists, because I believe it to be unjust. I believe it would be unjust, even though the members of unions were in a majority. The honorable member for West Sydney made a strong point, and one which has not yet been answered to my satisfaction, when he suggested that if preference were an evil it was equally so when the unionists had a majority. Take the case of 1,000 workers in a particular trade, and assume that 600 were in the union, and 400 outside of the union. I say that it would be cruel and tyrannical to deprive any man of the 400 of his means of existence, or to force him into a union, because he happened to be one of a minority. I go further: Majorities, as a rule, can protect themselves, and, speaking reasonably, the smaller the minority the greater the hardship if its members are to be saddled, not only with preference to unionists, where unionists are in a majority, but with the responsibility of devising some means by which they can take a poll of the workers in the industry to ascertain whether there is a majority in favour of preference, before they shall be allowed to work for their daily bread, without being forced into a union.

Mr. FRAZER.—How does the non-unionist get on at present when a strike occurs?

Mr. McWILLIAMS.—About the same as at most other times. My experience is that very often a large proportion of non-unionists sympathize with unionists on strike, provided they have gone out for just and legitimate cause. If we accept the amendment, I should like to ask whether there is any provision in the Bill by which the scattered units of workers outside unions can make known whether there is a majority in favour of preference to unionists?

Mr. WATSON.—The onus of that lies on the Government, as they have fathered the provision now in the Bill.

Mr. McWILLIAMS.—Presuming that we are taking this Bill seriously, though I have begun to doubt it, let us take the case of a shearers' union applying for preference. Without speaking offensively, it is admitted that shearers are amongst the most nomadic class of workers in Australia, and if an application is made to the Court by the Shearers' Union for preference is the decision of the Court to be hung up until the Government can devise some scheme by which a poll of non-unionist shearers scattered from one end of Australia to the other can be taken to ascertain whether there is a majority in favour of the application? The thing is absurd on the face of it.

Mr. FRAZER.—Hear, hear; it is an absurd proposal right through.

Mr. McWILLIAMS. — Yet honorable members who contend that it is an absurd proposal intend to vote for it.

Mr. WATSON.—No, we intend to modify the absurdity of the clause as at present framed.

Mr. McWILLIAMS. — I believe that honorable members opposite find themselves in the position in which I found myself when the clause was first before the Committee. I voted against the principle of preference, but I accepted the amendment proposed by the present Minister of Defence, because I saw that it would at least impose some check on the application of the principle.

Mr. WATSON.—Because it would achieve the honorable member's object by killing preference to unionists.

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Mr. McWILLIAMS.—Having to make a choice of two evils, I preferred to accept the lesser. The clause, as it now stands, is practicable, and might be put into operation, but the amendment, if agreed to, would render the whole thing a farce. By agreeing to the amendment, we should be deliberately placing upon the Statute-book a measure which every reasonable man must admit could never be brought into operation.

Mr. FRAZER.—That is what we told honorable members opposite a month ago.

Mr. McWILLIAMS. — I am referring now to the amendment moved by the leader of the Opposition. By accepting that amendment we shall show to all taking an interest in such matters that, while this Parliament has spent practically ten months in dealing with the Conciliation and Arbitration Bill, it is content to pass a measure which it knows will be inoperative, in order, to quote the words of the honorable member for Hume, to hoodwink those who believe that some degree of preference will be given to unionists under this Bill.

Mr. WATSON.—The Government should withdraw after that.

Mr. McWILLIAMS.—I can recognise the attitude assumed by those who say that this Conciliation and Arbitration Bill will be useless unless we give absolute preference to unionists. That contention can be argued and fairly fought, as there is a clear, bold principle in the declaration that compulsory arbitration is impossible unless it is associated with direct preference to unionists. There are those who hold with me that preference to unionists is wrong, that it is wrong to create an aristocracy of labour, and wrong to say that men must enter unions and submit to them.

Mr. FRAZER. — The Bill provides for that.

Mr. McWILLIAMS.—I am not referring to the Bill generally. I believe that the people of Australia, when they are given an opportunity to express their opinions in a practicable and forcible way by decision at the ballot-box, will be against our going back 200 years to establish once more the old guilds of Great Britain. In those days men had to subscribe to a guild or starve; but I say that the new unionism which certain honorable members desire to advance in Australia to-day is infinitely worse, because we have here proposed, under the guise of democracy, the same thing which in the old days was the work of hide-bound toryism. The new democracy proposes to say to a man, "You must yield up your individual opinion and join a union, or you must be passed over, not because you are not competent, or because you are not a decent member of society, but simply because you have refused to be driven into a union against your will." That is the clear-cut issue I wish to have placed before the electors of Australia when the time comes. The Bill, as it stands, is, to a certain extent, a "shandy-gaff" measure, and if we accept the amendment of the leader of the Opposition, we shall make it even a greater farce than it is at present. I shall vote against the amendment.

Mr. FRAZER (Kalgoorlie).—With the majority of honorable members, I regard this Bill as one of the most urgent which could be considered by a legislative body. I disagree distinctly with honorable members on the other side in regard to this clause, which, in my opinion, makes the granting of preference impossible to those who are responsible for obtaining an award from the Court. I wish to state again, that without the trade unions, which it is anticipated will apply for preference, it would not have been possible to have this measure under our consideration tonight. We have heard a great deal from honorable members opposite about the consideration which must be extended to men who at present are outside the unions. But if we had all along considered only the interests of those men—who contribute nothing to the funds of the organizations, and who take part in no progressive movement for the amelioration of the conditions of the workers—we should be in the position of fifty years ago. We should be battling to settle industrial disputes by means of the old system of strikes—of brute force—with all its accompanying privation and misery. Honorable members opposite, who do not believe in industrial arbitration, are taking a consistent course when they oppose the granting of preference. Such honorable members approve of the old methods, and, if we do not agree with them, we can at least respect their consistency. But when we find honorable members declaring that they believe in measures of this kind, but refusing to afford any protection against unscrupulous employers, a different stand must be taken. Honorable members on this side have had a little more to do with industrial matters, than have honorable members opposite; yet when we declare that the experience in those Stat--

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where there is no preference, is most unsatisfactory, we are not believed. I have already related an incident which came under my notice in Kalgoorlie. In that place the hotel and restaurant employés obtained an award which carried with it an increase in wages, but, when the officials of the unions sought to return to work, they found that their places had been filled by non-unionists, including some women. That is the reward which, in the absence of preference, unions are given for taking action with a view to preventing strikes.

Sir JOHN FORREST.—It is against the law to dismiss employés under such circumstances.

Mr. FRAZER.—It may or may not be against the law, but that is the sort of thing which the right honorable member is seeking to perpetuate by supporting the Government on the present occasion.

Sir JOHN FORREST.—Employers cannot dismiss men under the circumstances.

Mr. FRAZER.—But employers do dismiss men under the circumstances. It has already been pointed out that "preference" is not a proper term to apply.

Mr. KENNEDY.—That is the mistake of the whole discussion; preference is dealt with in another clause.

Mr. FRAZER.—The honorable member for Moira apparently assumes that he is the only one who knows what is under consideration at the present time. What we are discussing now is preference, and how preference shall be applied—the whole question is under review. The proposal should be regarded as one to provide security for unionists—to provide security for those who desire, by means of measures for industrial peace, to be protected against unscrupulous employers. The amendment of the Minister of Defence, introduced when this measure was before us on a previous occasion, made the granting of preference, in my opinion, impossible. If that amendment be adopted, it will be impossible for members of trade unions to satisfactorily prove that there is a majority of those affected by the award in favour of preference. The leader of the Opposition says he believes that it is unworkable, that it is impossible for it to be mathematically proved under present conditions in the cases in which preference will be desired, and he gives honorable members on the other side the alternative of showing whether or not they are sincere in their belief that it is workable, by offering them the chance to apply it to those for whom they profess to be speaking.

Mr. KENNEDY.—By substituting something more unworkable.

Mr. FRAZER.—No, by shifting the onus of responsibility from the unionists to the non-unionists. The least which we might expect, the least which even honorable members opposite might expect, is that those who have never attempted to make industrial peace possible, if they object to unionists being placed in a position of safety, should be called upon to make the sacrifice of proving to the Court that they are in a majority, and do not desire preference. I do not believe in hampering the Court in that way. I should prefer to vote against the whole clause, but I shall vote for the amendment of the leader of the Opposition, because it is the lesser of two evils, and places the responsibility upon the right shoulders. During this debate we have heard the old cry about an endeavour on the part of the unionist representatives, as we on this side are dubbed, to starve the unfortunate non-unionist, with his wife and children, and to make it impossible for him to get a living. Such a statement carries with it its own refutation. Under existing conditions it is absolutely impossible for any man to state with any degree of certainty when we may be plunged into another great Inter-State struggle. If such a calamity be brought upon the community, we can say that the non-unionist is more responsible for its occurrence than the unionist, and his position will be more unsatisfactory than if industrial peace were assured, and he took his place alongside the unionist, and tried to secure the safe and sure working of the Act. I have entered my protest against this proposal, which, I believe, unfortunately, is going to be carried against us. I look upon this, and the next clause, as very vital to the Bill. Those who desire to wreck the Bill—and, peculiarly enough, they are all to be found on the other side—clasp with open arms this proposal, and also the one to prohibit political action by trade unions. If I had no other reasons placed before me, and I were in favour of the Bill, I should have to think very seriously about being associated with honorable members who have stated openly and frankly that they will take every opportunity to defeat it. I feel satisfied, however, that I have made it quite clear that they will have no opportunity of going

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before their constituents and saying that they believe in the granting of preference to unions when their votes belie their words.

Mr. BROWN (Canobolas).—Preference to unionists is not the main issue we are now asked to consider; that is a fundamental principle of the Bill. We are now asked to consider how it shall be applied. In their proposal, the Government say practically that a claimant union must satisfy the Court, not only that it represents its members, and that from their stand-point it is a fair thing to grant preference, but also that their application has the approval of a majority of the persons engaged in the industry, or likely to be affected by the award. Some honorable members who support the proposal have been perfectly frank. They say that they are against this kind of legislation, and whenever an opportunity has been offered, they have recorded their votes against the Bill, and against preference to unions. Now that they are asked to consider the issue raised by the Prime Minister, and the counter-issue raised by the leader of the Opposition, they say that they prefer the support of the Government. That is a very reasonable proof of the position taken up by the leader of the Opposition, that the conditions laid down by the Government are less workable than those which he proposes. Were I in opposition to this measure as a measure, or to this principle as a principle, then, having been defeated on the main issue, I, like certain honorable members, should be very strongly tempted to do what I could to nullify the effects of it. From their standpoint they are perfectly consistent in their attitude. The honorable member for Lang and the honorable member for Wannon state that they are opposed to legislation of this character. They support the obligation which is thrown upon unions as against the proposal of the leader of the Opposition, and, no doubt, in doing that, they are endeavouring, as far as possible, to defeat the principle of preference to unions. But, whilst they can show reasonable ground for consistency, I fail to see how honorable members who believe in this legislation, and recognise that it must be founded upon a recognition of preference to unions, can consistently support the proposal of the Government, as against the amendment of the leader of the Opposition. In this connexion I am quite in accord with the honorable member for Kalgoorlie. It is unfortunate that the term "preference to unions" has to be used. It arose in connexion with the legislation first introduced into New Zealand, and subsequently enacted in New South Wales. What is really proposed to be done is to give a certain degree of security to unionists, that they shall not be victimized because of the stand which they took in support of the principles of their unions, and of their advocacy, not only amongst their fellow-workers, but in the Courts provided by their State for the adjustment of labour disputes. This was left an open matter in the New Zealand Act, and a difficulty presented itself in its practical working, on the grounds of equity and justice, The lower Court, and then the Appeal Court. found it necessary, although it was not specified in the Act, to read in this principle in order to carry out the intention of the Legislature. Those who advocate the principle are supported by high legal authorities, such as the Chief Justice of New Zealand, Sir Robert Stout, Mr. Justice Williams, Mr. Justice Connell, and Mr. Justice Denniston, and also by high industrial authorities. Mr. Justice Cohen, of the New South Wales Arbitration Court, has stated that, interwoven with the fabric of legislation of this kind is the power of the Court to extend protection to those engaged in furthering the objects of unionism, and appealing for the settlement of disputes. Those who know the conditions of labour obtaining in country districts—which, I presume, do not differ in this respect from the conditions obtaining in the cities—are aware that men who make themselves prominent in connexion with union work, by endeavouring to increase the membership of their unions, or by standing out for shorter hours or better conditions, become marked men, and, although often the most competent in their trades, find their places filled by others. In short, they are boycotted and driven out. Whenever a strike is declared "off," and work commences again as before, the leaders are punished in this way. It is to protect such persons that we, on this side, think that the Court should be empowered to grant preference. Those who support the proviso contend that, not only should the union applying for preference show that it is entitled to it, but that it should also show that a majority of those connected with the industry are in favour of preference being granted. The leader of the Opposition has urged that the difficulty of obtaining the views of those outside the union is so great that the proviso would be unworkable.

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Those who support it say that it can be worked without trouble, and contains only a reasonable safeguard. To that the leader of the Opposition has replied that, if that be so, upon the non-unionists should rest the onus of proving that those who are opposed to the granting of preference represent a majority of the persons affected by the award. If we are to have a condition of this kind, that is not an unreasonable position. There is, however, no such provision in the legislation of New South Wales or New Zealand, and although large industrial bodies have been affected by the Arbitration Courts created under that legislation, no complaints have been made by the workers whose interests this proviso is designed to protect. It is true that objections have been published in the newspapers, but they have been dealt with by Mr. Justice Cohen in an address which I quoted in this Chamber some time ago, and which I need not now repeat. He then said that those who were complaining had an opportunity to come before the Court to state the grounds of their complaints, and if they did so their statements would be taken into consideration in the determination of an award. He went on to say, however, that a great many of the statements which had appeared in the newspapers were without foundation of fact. If the Committee agrees with the amendment of the Senate, it will be merely affirming a principle whose value must be determined by the practical working of the measure, but if the amendment be disagreed to, the organized workers of the Commonwealth will be given a concession with one hand which will be withdrawn with the other, because the unions applying to the Courts will be without protection. I shall be sorry to see the measure defeated, because, in my own opinion, it is required. I admit that it is largely experimental, and that defects may be disclosed by its administration, though those defects can afterwards be remedied by Parliament. We have seen, however, that similar legislation has prevented industrial trouble in New Zealand and in New South Wales, and the intention in introducing this Bill was to provide for the settlement of industrial disputes extending beyond the limits of any one State. If we do not provide for the settlement of such disputes, we may have repeated the conditions which obtained during the great industrial disturbances of the early nineties, when, in all the avenues of industry, labour ·rayed against capital, and practically civil war existed throughout the Commonwealth. The only method of settling disputes in those days was by the barbarous means of strikes or locks-out. There was no legislation by which the strong arm of the law could be invoked to bring about an adjustment of the difficulty upon the lines of equity and justice. The whole of the wheels of industry were stopped, and trade was lost to us which we have never been able to regain. Misery, suffering, and loss were involved, which might have been averted if more humane and scientific methods had been adopted. I hope some of my words will sink deep into the minds of honorable members who are unintentionally assisting the enemies of arbitration in their efforts to destroy or vitiate this measure. If the Bill is made unworkable, we shall have to revert to the conditions of years ago. In New South Wales, feeling then ran very high, and since the days of the agitation to prevent that State from being any further used as a dumping-ground for British convicts, there has been no statesman to whom the citizens were more indebted than they were to the late Sir Henry Parkes for the action which he took on that occasion. He was then the head of the Administration, but was for a time laid aside by illness. Those who were temporarily in control, ordered out the military, and it needed but a spark to cause a disastrous explosion of public feeling. The grand old politician to whom I have referred, saw the danger, and ordered the military into their barracks again. New South Wales was thus saved from an experience of those more acute phases of industrial warfare through which many other countries have passed.

Mr. JOSEPH COOK.—The military were out.

Mr. BROWN.—But they were ordered back again. A similar experience was being passed through at the same time in Melbourne. We have it on record that the military were ordered to get ready, and that Colonel Tom Price told his men——

Mr. DAVID THOMSON.—"To fire low, and lay 'em out."

Mr. JOHNSON.—That has been denied time after time.

Mr. BROWN.—I do not wish to repeat the exact words reported to have been used, but Colonel Price, in effect, told his soldiers that they must not consider the fact that some of their relations might be amongst the strikers, but must carry out their instructions. These were the conditions that

obtained prior to the introduction of legislation of this character; and we shall revert to that state of affairs unless we pass a Bill which will provide for the settlement of industrial disputes by more humane methods. I do not believe that this Bill will offer a complete solution of the difficulty, but I regard it as travelling in the direction in which we shall have to proceed in order to arrive at a satisfactory means of adjusting our industrial differences. I believe that a complete system of industrial arbitration may be built up by means of combinations among the workers and employers, and that it will be within the power of the Court to afford security and protection to those who are engaged in industrial occupations. Although the proposal of the honorable member for Bland does not entirely meet the case, it is at least an improvement upon the proviso which the Government desire us to adopt, and I shall, therefore, support the amendment in the belief that it will contribute to make the measure more effective.

Question—That the words proposed to be added be added—put. The Committee divided.

Ayes	28
Noes	31
Majority	3

AYES.

Bamford, F. W.	Mauger, S.
Batchelor, E. L.	McDonald, C.
Brown, T.	O'Malley, K.
Carpenter, W. H.	Ronald, J. B.
Chanter, J. M.	Spence, W. G.
Crouch, R. A.	Thomson, D. A.
Fisher, A.	Tudor, F. G.
Fowler, J. MacK.	Watkins, D.
Frazer, C. E.	Watson, J. C.
Hughes, W. M.	Webster, W.
Hutchison, J.	Wilkinson, J.
Isaacs, I. A.	
Lyne, Sir W. J.	*Tellers:*
Mahon, H.	Cook, J. N. H. H.
Maloney, W. R. N.	Groom, L. E.

NOES.

Cook, J.	McColl, J. H.
Deakin, A.	McLean, A.
Edwards, R.	McWilliams, W. J.
Ewing, T. T.	Phillips, P.
Forrest, Sir J.	Quick, Sir J.
Fysh, Sir P. O.	Reid, G. H.
Gibb, J.	Robinson, A.
Harper, R.	Skene, T.
Johnson, W. E.	Smith, B.
Kelly, W. H.	Smith, S.
Kennedy, T.	Thomson, D.
Knox, W.	Willis, H.
Lee, H. W.	Wilson, J. G.
Liddell, F.	*Tellers:*
Lonsdale, E.	Conroy, A. H. B.
McCay, J. W.	Fuller, G. W.

PAIRS.

Kingston, C. C.	Turner, Sir G.
Storrer, D.	Cameron, D. N.
Page, J.	Edwards, G. B.
Culpin, M.	Chapman, A.
Poynton, A.	Bonython, Sir J. L.
Thomas, J.	Glynn, P. McM.
Higgins, H. B.	Wilks, W. H.

Question so resolved in the negative.

Amendment negatived.

Mr. WATSON (Bland).—I propose to submit a further amendment for the purpose of testing the feeling of the Committee upon this question, especially in view of the attitude which has been taken up by the honorable member for Franklin, and one or two others upon the opposite side of the Chamber, who have confessed that the phraseology which the Government have adopted creates a farcical situation so far as the preference clause is concerned.

Mr. REID.—The honorable member for Franklin did not say that.

Mr. WATSON.—He did say it.

Mr. REID.—He said that the honorable member's amendment was farcical.

Mr. WATSON.—He admitted that, from his point of view, as a determined opponent of preference throughout, the proposal of the Government had practically the same effect.

Mr. REID.—He did not say that.

Mr. WATSON.—The honorable member was frank enough to say that he had consistently opposed the granting of preference to unionists, and would take any steps to prevent effect being given to that principle. I honour him for his candour, and do not complain of his attitude in the slightest degree.

Mr. REID.—Did the honorable member draft this amendment since the honorable member for Franklin addressed the Committee?

Mr. WATSON.—I intended to place this amendment before the Committee under any circumstances. I claim that in view of the statement of the honorable member for Franklin it behoves those honorable members opposite who really desire that an effective form of preference shall be granted to unionists, to make some alteration in the clause as it now stands. Consequently I move—

That the following words be added—"but that all the words after the word 'unless,' line 12, be left out, with a view to insert in lieu thereof the words 'the Court is satisfied that the organization applying for such preference substantially represents the industry affected in point of the number and competence of its members.'"

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This is the same amendment of which I gave notice a few months ago. I admit that upon that occasion the House practically decided against it. It preferred to adopt the proposal of the present Minister of Defence. I beg leave, however, to suggest to honorable members that upon the present occasion the circumstances are slightly different. In the first place, it is one thing for the House to declare—whilst free from any anxiety as to what members in another place would do—that it would prefer to give effect to a certain series of words or to a certain idea. But seeing that the other Chamber has taken up a distinct attitude upon this question, surely it is reasonable that honorable members of this Committee should again be afforded an opportunity of considering whether they cannot give way, so as to permit of the Bill being passed in a form which will be reasonably satisfactory to both branches of the Legislature. Whilst it is true that some months ago a majority of honorable members were opposed to the proposition which I am now putting forward, there is no reason why, under the present circumstances, they should not be disposed to accept it, thus making some effort to insure the passage of this measure. Without delaying the Committee any longer——

Mr. JOSEPH COOK.—Of course, the honorable member—in the event of his proposal being carried—will expect to take the Prime Minister's place?

Mr. WATSON.—The Prime Minister has not intimated that he will make this question a vital one.

Mr. REID.—I have only one anxiety, and that is to come to a division.

Mr. WATSON.—That being so, I do not see that the suggestion of the honorable member for Parramatta amounts to anything. I have not seen anything to encourage the idea that the Prime Minister would make a matter of this kind vital.

Mr. JOSEPH COOK.—The honorable member would have a fair claim to ask him.

Mr. WATSON.—I do not say that I have any such claim. As leader of the late Government, I thought it my duty to make the question vital to our Ministerial existence, but that does not lay the same obligation on any other Ministry. It is purely a matter for the Government themselves to consider.

Mr. REID (East Sydney—Minister of External Affairs).—I think it is only respectful to the leader of the Opposition that I should make one or two remarks with regard to this matter. I do not at all complain of his action in proposing to test the opinion of the Committee in this way. When the House was dealing with an amendment refusing to recommit this clause, the then head of the Government, who is now the leader of the Opposition, offered the suggestion which he now makes as a compromise between the views of the Government of the day and the opinions advanced by those who supported the honorable and learned member for Corinella's amendment. The House, however, was so strongly of opinion that there was a serious difference between the two proposals that it refused even to go into Committee to consider the honorable gentleman's proposition. I have always felt that the word "substantial" involves a far more serious objection than any which attaches to the term "majority." That, however, is entirely a matter of opinion. We discussed this question for days and days, and I think that, being so familiar with the purport of these words, we might now fairly go to a division upon them.

Mr. SPENCE (Darling).—I am one of those who are not prepared to adopt the Prime Minister's suggestion that we should proceed to a division without further debate. When a Government knows that the numbers are in their favour they are always ready to divide.

Mr. DUGALD THOMSON.—But the debate has not affected our decision very much so far as the other amendments are concerned.

Mr. SPENCE.—I did not anticipate that it would, in view of the stand taken up by the Government. I regret that there is some evidence that the interests of many thousands of men who are members of unions, as well as thousands of others who, although not good on the books, are true unionists at heart, are to be sacrificed by the Government and their supporters merely from considerations of party government. It seems that they are to be sacrificed in order that a certain party shall be kept out of power. I said last week that I could very well understand the position of honorable members supporting the Government in regard to some of the Senate's amendments, inasmuch as, if they voted for them, they would have to reverse a previous decision. The leader of the Opposition showed them a way out of the difficulty, but they were not prepared to accept it. The present Government was brought into power as the result of a division on this clause; but

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as there is now no issue involving the fate of a Ministry, I thought that honorable members opposite would be prepared to accept a reasonable compromise. The Government, however, have induced all their supporters, including all those who, ever since the establishment of the Parliament, have been mouthing their independence, to agree to adopt a certain course, and they are not prepared to accept any compromise, or even an amendment that would make the intention of the clause clearer. The deliberate refusal of a majority of the House to allow the Watson Government to have this clause recommitted was due to their desire to bring about a certain result. That object has been accomplished, and the attitude now taken up by honorable members opposite shows that the Ministry have no desire to give any consideration to the views of another place. The leader of the Opposition is prepared to go so far as to recognise the principle claimed by the Government to underlie this clause, and has proposed an amendment which would, in short, place a limit on the power of the Court. But, in view of the attitude taken up by the Government, I have come to the conclusion that the conservative element in the House, which has always been opposed to the principle of compulsory arbitration, is controlling the Ministry, just as a third party was said to control a former Government. At the present time we have a third party in the House, which has always been opposed to legislation for the peaceful settlement of industrial disputes, and that party is evidently gaining its own way so far as this matter is concerned. They recognise that one way of discounting legislation of this kind is to secure the passing of clauses which must really defeat its purpose. I have challenged honorable members opposite to point to a case in which the action of a Parliament, in giving a Court discretion to deal with a matter of this kind, has been attended by any harmful result, and no one has been able to show anything of the kind. Honorable members opposite will be content with nothing but a clause that will prevent the Bill becoming an effective piece of legislation. Even at this eleventh hour, I urge those honorable members who are honestly desirous to see this Bill placed upon the Statute-book to shake off the incubus that affects them—to shake off the influence of the little Conservative third party in the Government corner—and to show some fairness to the large body of trade unionists in this country. This is not a question affecting trade unionists only. It affects the welfare of the whole community, employers and employés alike. It is true that changes of Government have taken place upon this clause, but that ought to be forgotten for the time being. The question should be dealt with fairly on its merits. This is a new amendment, that has never been discussed in Committee previously. Those who are totally opposed to the Bill may be expected to vote against it, though they are prepared to swallow other provisions to which they are opposed. But I hope that those who believe in the Bill and are anxious to see it placed upon the Statute-book will give the question an impartial consideration. I do not desire to repeat arguments which have been previously used. But there is a great deal that is new to be said on this question. It covers a very wide field. I had hoped that the Prime Minister would show a readiness to compromise. But it seems to me that the source from which an amendment comes determines the attitude of the Government. If an amendment comes from the leader of the Opposition they regard it as absolutely bad. There may fairly be a party declaration of war on the question of who shall hold office. I am prepared to go to the country in opposition to the Government on a declaration of that kind. But it is not fair to make a party fight over a question which is likely to injure the community as a whole. The interest of the people should be considered entirely apart from the party which is to sit upon the Treasury bench. When a compromise is offered, the Government ought not to whip up their followers. Honorable members should have a free hand to accept it if they think it reasonable. I am convinced that a number of honorable members opposite seriously desire to make the Bill unworkable. I had hopes that I was wrong in that opinion, but those honorable members who are openly opposed to the Bill are seemingly in high glee at the prospect of getting in this clause as it stands. I appeal to the more liberal democratic members, who desire to see the measure made efficient, to accomplish the object that they have admitted to be desirable for the purpose of securing industrial peace and fair consideration to all parties concerned. The proposal of the leader of the Opposition is extremely fair, and should be received in a very different manner from that which is manifested towards it. We are told that the Government supporters are

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ready to divide. We know what that means.

Mr. REID.—It means that this question was discussed for days and days before.

Mr. SPENCE.—It has never had a chance to be discussed. We never went into Committee to consider it formally. The late Government was turned out on the question of going into Committee, with the object of considering this very point. The Prime Minister having got into power, and having become well glued to the Treasury bench, ought to adopt a very different attitude. We ought not to debar thousands of working men from getting justice, simply because certain considerations have assumed a party significance. No question of change of Government is now involved. The Ministry at present in power does not take anything as vital.

Mr. REID.—They do not talk about it, anyhow.

Mr. SPENCE.—I strongly urge that the consideration of the amendment should not be complicated by what happened in previous debates. We should consider it on its merits.

Mr. WATSON.—And we should try to meet the Senate.

Mr. SPENCE.—It is a fair thing to endeavour to meet the second Chamber. We ought to pay that respect to the second Chamber to which it is entitled when it sends amendments to us. I cannot help feeling that it is unfair to the very large body of men who are anxiously looking forward to seeing this Bill made workable, that this attitude should be assumed by honorable members opposite. It is not creditable to the Government, or to the Prime Minister, and it is not in keeping with the attitude which the right honorable gentleman has previously assumed. I believe that he has assumed a different attitude on this occasion because the question is associated with the incident which gave him office. I am asking that honorable members opposite should now forget that incident, and should deal with this proposal entirely on its merits. I suggest that honorable members opposite should be given that degree of freedom which is usually accorded in Committee, and should be at liberty to vote as they please upon a provision which may be regarded in the nature of a compromise, without their loyalty to the Government being questioned. When introduced, it was supposed that this was not a party measure, and it certainly should not be made a party measure in its final stages. There can be no doubt that it has played an important part already in Commonwealth politics in bringing about changes of government; but in its final stages we might look for some consideration for honorable members who desire that it should be made a workable measure. If the Government persist in their present attitude, upon them must rest the responsibility of imposing upon the public a deceptive measure, and of pretending to give the mass of the workers of the Commonwealth some real measure of conciliation and arbitration, while withholding the means of making it effective to carry out the object we have in view.

Mr. GLYNN (Angas).—I have not previously spoken on the question of preference, except in dealing with the interpretation clause, in the early half of the present session. I can assure the honorable member for Darling that I do not oppose this proposal because of any factious objection to the provision, or of any desire to oust or put in a Ministry. The honorable member for Bland has suggested that what has now been proposed should be regarded as a compromise. I regret to have to say that I think it cannot possibly be regarded as a compromise, because it involves very serious differences of substance. The honorable member for Darling is thoroughly well up in all matters relating to unions, and in the history of union agitations at Home, and he will remember that after the decision in the Taff Vale case, the colliers decided to incorporate in their rules a provision that there should be no strike except by the consent, not of a substantial majority, or of persons substantially representing them, but of a specific proportion of the total of those actually in work. They provided in one rule that there should be no strike unless it were consented to by two-thirds of the persons actually in work.

Mr. WATSON.—Hear, hear; the majority of the members of the union, which is very easily ascertained—not the majority of those affected.

Mr. GLYNN.—That is the distinction between the clause as it now stands, embracing the amendment which was moved by the honorable and learned member for Corinella, and the provision which the honorable member for Bland asked us to substitute for it.

Mr. WATSON.—If that were all, we should be quite satisfied.

Mr. WATKINS.—They do not consult those outside their union.

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Mr. GLYNN.—On the score of clearness, the amendment proposed by the honorable member for Bland is not in it when compared with that which was moved by the present Minister of Defence. The one amendment provides, as do the rules of the unions in England, that there must be a specific number consenting, whilst the other leaves it open to the Court to determine the matter, by considering the organization which in point of numbers and competence represents the industry.

Mr. BATCHELOR.—Is the honorable and learned member prepared to accept a majority of those in the union asking for preference. That would make the analogy complete.

Mr. GLYNN.—We are not now dealing with unions, but with organizations.

Mr. BATCHELOR.—The honorable and learned member quoted a particular instance.

Mr. GLYNN.—As the question is subject to some limitation, I think the best way is to prescribe something in form to the Court, and to provide that there shall be a specific number in favour of an application.

Mr. BATCHELOR.—The honorable and learned member is shifting his ground. He just now quoted the rule made by the colliers after the Taff Vale case as an analogy.

Mr. GLYNN.—I was dealing with the rule introduced by the colliers after the Taff Vale case, and it is in line with the provision in this Bill as it now stands, because it prescribes a specific number of those in work, and they are practically all the men engaged in the industry.

Mr. WATSON.—Of the unionists who are in work?

Mr. GLYNN.—Of all those who are in work. The honorable gentleman corrects me from memory, but I think it will be found that I am right. There is a substantial difference between making a prescription in an Act of Parliament of a specific number, and leaving vague words such as these to guide the Court. I invite honorable members to consider the words used here. What is the meaning of the term "substantially represents"? It is a principle of the construction of Acts of Parliament that we must take the whole of an Act for guidance as to the meaning of particular terms. These words are not used generally. They are used in relation to a specific provision of the Bill, and in this Bill I remind honorable members that we have already decided that an organization substantially represents an industry if it is composed of a minimum of 100 members. If honorable members will look at the provisions dealing with the organizations which can be registered under this Bill, they will find that we have already decided that in point of substance, and also in point of competence, an organization represents an industry if it is composed of a minimum number of 100 members. And any Court looking at this amendment might say that the variation to be allowed is governed by the number we have already fixed for ourselves. We have fixed 100 members as the minimum to represent an organization which will represent an industry, and we cannot upon that have a variation of thousands. The Court might very well say that it would be consistent with the Bill to allow of a slight, but not of a very considerable, variation. So that in one way, it might very well be contended that in point of substance, with respect to numbers and competence, these words are largely restricted by the interpretation we have already given in previous clauses of the Bill. If they are not so limited, they are very vague, and it should not be the desire of the Committee to hand over an Act of Parliament to a Court to be construed with these vague terms embodied in it. I only regret that some honorable members who have expressed themselves as anxious that this Bill should be passed did not see their way to accept a reasonable suggestion upon the basis of which preference would have been possible, and could have been supported. There is nothing objectionable in the principle of preference in itself. It is really a part of the essence of the Bill, but it is objectionable, by granting preference to unionists, to force men into organizations created for purposes apart from the purposes of this Bill, and mixed up with several other matters of which they might not approve. I wish to make my position on this question perfectly clear. If the organizations were formed purely for the purposes of this Act, if they were skeleton organizations dissociated from all purposes apart from this Bill, I should say that every person following the particular industry it represents, should be obliged to be a member of the organization. But what we are asked is to say that by preference it shall be possible to force men into organizations which are formed for various purposes other than the purposes of this Bill, and, for instance, into friendly societies to which they must

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subscribe for the purposes of those friendly societies, although they may be already subscribing to some other friendly society. If organizations were formed for the specific purpose of bringing this Bill into operation, I could see no objection in principle to the granting of preference, and I say that the onus of rejecting the principle of preference must rest upon those honorable members who have declined to work the Bill on the basis of purely industrial organizations.

Mr. SPENCE (Darling).—The honorable member for Angas has quoted as an illustration the rule of colliers' unions in England, with respect to the vote which must be taken before there can be a strike. I can assure the honorable and learned member that some unions are so particular that before they consent to a strike they must have a two-thirds majority of their members in favour of it.

Mr. WATKINS.—Hear, hear; there must be a two-thirds majority of the coal-miners of Australia in favour of a strike before it can be declared.

Mr. SPENCE.—That is so, and there is really no analogy between the case the honorable and learned member for Angas has quoted, and the provision insisted upon by the Government. The honorable and learned member for Angas is aware that the proposal of the Government involves the approval of the application by a majority of those affected by the award, but that does not mean the majority of the union. The difficulty is to know what the proposal does mean. A law to take a vote of a union would be, in some cases, readily complied with, but the Government are asking for something which we, as experienced men, know is not possible. I have shown that, as regards one union, there is no chance of carrying out the strict letter of the law to be observed by the Judge, if the latter is to go by evidence in the ordinary manner. Such evidence would mean mathematical accuracy—it would mean a majority, and some method of arriving at numbers. The Minister of Defence pointed out that the Judge is supposed to be guided by earlier clauses of the Bill, which give him considerable power; but the Judge must have his mind satisfied according to law. We are not lawyers, but we know enough to appreciate the fact that "majority" means a majority in numbers, and it will have to be proved that the particular application is supported by a majority. We say that such proof is impossible.

Mr. WATKINS.—Have the wool-sorters to be consulted about the shearers?

Mr. SPENCE.—That we cannot know until we ask the Judge. A lawyer's business is to place difficulties in the way of the other side, and to so twist a case as to obtain a favorable verdict for his clients. But in such a case as we can imagine, no twisting will be of any avail, because it must be shown that a definite majority approve of the application. The honorable and learned member for Angas must have been shutting his eyes to the attitude of the Government, whose whole object is to consider non-unionists who are non-existent. A proposal previously indicated by the honorable and learned member shows that he does not take the view favored by a number of honorable members opposite. I was pleased to hear the honorable and learned member say that he had no objection to compelling men to belong to a union.

Mr. GLYNN.—I have a clause drafted for that very purpose.

Mr. SPENCE.—I remember that very well. Except in cases which are not worth noting, I have never heard of any coercion, and there is no doubt that non-unionists will join unions all the more readily because of the patent advantages. No honorable member has laid before us any objections raised by non-unionists, and no complaint of the kind, either by employers or others, has been laid before the Courts in New South Wales or New Zealand. Why all this effort to obtain the consent of unorganized bodies, which, as the honorable and learned member for Angas recognises, have no standing under the Bill? The Government submit an unworkable clause, in which they will permit no alteration.

Mr. JOHNSON.—Does the honorable member think we shall finish before Christmas?

Mr. SPENCE.—I do not care if we stay here until the Christmas following, because I regard this as a very serious matter. The Minister of Defence, speaking last Friday, said he had been waiting for some amendment. I do not know whether there is any conflict amongst the members of this double-barrelled Government, but the note sounded by the Prime Minister on every occasion shows that no compromise will be entertained—that the clause must pass as the Minister of Defence originally framed it. There must be something unusual underlying such an attitude. If we concede the principle, there should be no difficulty in

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framing a clause. Even the Minister of Defence admits that the Judge must strain a point—that he must interpret this clause by a previous general guiding principle.

Mr. McCay.—I did not say that at all; I did not say the Judge had to strain anything.

Mr. SPENCE.—Last Friday the Minister of Defence, by interjection, referred me to a previous clause in the Bill, and said that the Judge would have to satisfy himself on the point. I was claiming, at the time, that the clause is mandatory.

Mr. McCay.—What I said was that the evidence on which the Judge would come to a decision would be obtained in the manner pointed out by clause 25.

Mr. SPENCE.—That is what the honorable and learned gentleman said, admitting that it was not a question of the exact wording—that there must be absolute mathematical precision.

Mr. McCay.—I was pointing out that the ordinary rigid rules of evidence would not apply in this Court.

Mr. SPENCE.—That is what I have just now conceded. I can understand that the Judge might take evidence, which indicated a sort of guess at the probable number connected with the industry. The information which I could give as to the pastoral industry might not amount to mathematical proof, but I could understand the Judge being prepared to take evidence of the kind. The next question would be whether there was proof that the majority approved of the application, and that involves the question of numbers. Whilst the Judge might accept evidence of a somewhat guess-work character, numbers must still be given, or how could there be decided the question of the majority?

Mr. McCay.—There would be the whole of the union to start with.

Mr. SPENCE.—So far as regards the majority of the unionists, that would not much matter, but when we come to the majority of those affected in the industry, I contend that the proposal of the Government is unworkable. and is not on all fours with anything connected with the work of organized bodies, with rules more restrictive than the honorable member for Angas indicated in his remarks.

Mr. WEBSTER (Gwydir).—The amused attitude of the Prime Minister when any one rises to defend a principle tends to convey to the public that this Parliament is fast becoming a laughing-stock.

Mr. Reid.—Only certain individuals.

Mr. WEBSTER.—That impression is induced by the frivolous attitude which is always assumed by those who occupy responsible positions. On questions of grave importance, involving the practicability or otherwise of a measure so far-reaching in its effects as this one, the right honorable gentleman should exhibit some degree of sincerity, rather than act in a frivolous way, as he does whenever a proposal is submitted by the Opposition.

Mr. Kennedy.—The honorable member should deal with him quite severely.

Mr. WEBSTER.—The Prime Minister will only need to speak to the honorable member in order to keep him quiet.

Mr. Kennedy. — I question whether it would have that effect upon the honorable member.

The CHAIRMAN.—The question before the Chair is the amendment.

Mr. WEBSTER. — I realize that, sir, and if these interjections had not been made I should not have been drawn aside in that way.

The CHAIRMAN. — I ask honorable members to refrain from interjecting.

Mr. WEBSTER. — Like the previous speaker, I fully expected the Government to treat this amendment in a rational way. Now that they are secure in their offices, I anticipated that when we offered to compromise they would recede from their position to some extent, and endeavour with us to produce a practicable measure. Surely we have not come here to carry out party feeling to such a degree as to place upon the Statute-book a law which would be unworkable! We, as reasonable men, ought to devote our efforts to making the measure as effective as possible, irrespective of any effect which its operation might have upon the parties in the House. When it was formerly indicated by the honorable member for Bland, we had no opportunity to discuss this amendment. The Prime Minister has said that it was fully discussed for two or three days; but I maintain that we had no opportunity to discuss it. The amendment was given notice of by the honorable member for Bland, and the Opposition at that time, being anxious to seize the reins of office, practically prevented him from discussing the relative merits of his amendment and that of the honorable member for Corinella. We were absolutely boycotted.

The CHAIRMAN.—I would draw the attention of the honorable member to the

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fact that the amendment is now before the Committee, and can be discussed.

Mr. WEBSTER.—I am perfectly aware of that fact, sir.

Mr. REID.—Why does not the honorable member discuss it?

The CHAIRMAN.—Order!

Mr. WEBSTER.—It is not palatable to the Government for me to refer to these episodes, but still I am entitled to show the reason why this saving amendment was defeated and discussion burked. Why does the Prime Minister insist upon forcing upon the Statute-book an impracticable measure? Had he wanted to prove to the country that he was in favour of the establishment of an Arbitration Court to act on lines of equity and justice he could not have better illustrated his insincerity than by trying to carry an impracticable amendment and opposing one which would secure the effective operation of this legislation. Some honorable members on the other side are so lost to a sense of the responsibility and dignity of their position that they act like cockatoos on a fence: they shift from perch to perch, and betray their manhood as well as their representative position. All I can say is that it ill becomes them. I realize that there are only a few men in this large body who would stoop to such practices. Why do I ask the Prime Minister to consider this matter?

Mr. REID.—That is what I wish to know.

Mr. WEBSTER.—I shall try to indicate the reason why I do.

Mr. REID.—The honorable member said that long ago.

Mr. WEBSTER.—I intend to repeat the statement if necessary. I realize it would be very difficult to convince the right honorable gentleman against his will. In this instance the professed supporters of a practicable law are in reality its deadliest opponents. How is it possible to convince honorable members who act in that way? Here we are asking the Prime Minister if he cannot reasonably accept our version of this matter.

Mr. REID.—More iced water, please.

Mr. WEBSTER.—That is exactly what we see imitated by the small fry in the House.

Mr. REID.—It is the only way of keeping cool while the honorable member is speaking.

Mr. WEBSTER.—This tomfoolery is introduced by a man who ought to know what the dignity of his position demands.

The CHAIRMAN.—Order!

Mr. WEBSTER.—It is not only a matter of public talk, but a matter of public ridicule, that serious legislation is treated in this light way.

Mr. REID.—It is the only way to keep alive.

Mr. WEBSTER.—I am not very anxious to keep politically alive by those methods. If the right honorable gentleman cannot accept the assurance of the honorable member for Darling and other honorable members with knowledge and experience of the working of trade unions, I would appeal to him to try to do that which he would advocate at any other stage in his career, and that is to treat with respect the amendments of the other House, which has practically co-equal power with this House.

Mr. KELLY.—Hear, hear.

Mr. WEBSTER.—You can "Hear, hear" as much as you like in that mocking tone, but it will not break me up.

The CHAIRMAN. — The honorable member should address his remarks to the Chair.

Mr. WEBSTER.—While I am interrupted by these mocking "hear, hears," I cannot proceed with my speech.

The CHAIRMAN. — The honorable member is complaining of being interrupted by other honorable members. I have already asked that interruptions shall absolutely cease, and if honorable members persist in interrupting, I shall be compelled to exercise the powers which are conferred upon me by the Standing Orders.

Mr. WEBSTER.—The Senate has, in its wisdom, struck out the proviso inserted by the Committee on the motion of the honorable and learned member for Corinella, and we ought to pay some respect to its opinion on a matter of this kind. What it did was not done jocularly, but with the intention of making the Bill more effective. If the Senate's amendment is not agreed to, or some amendment similar to that of the honorable member for Bland is not inserted, the Bill will not be effective. The honorable and learned member for Corinella, with that subtlety for which the members of the legal profession are distinguished, while contending that the Court must be satisfied that a majority of those affected by an award are asking for preference, did not tell us how it could be satisfied on that point. To provide that the Court shall obtain a knowledge of the opinions of the majority of those connected with an industry when there is no means for numbering

those outside unions, or for the expression of their opinions, and to tell us that that requirement is intended to improve the Bill, is to mock at those for whom we are professing to legislate. The Government would do well to accept, even at this stage, an amendment which would give an assurance to those who will come before the Court that, if necessary, they may obtain preference. They are the only men who can come before the Court, because none but organizations can appear before it. Every unionist and every employer knows that the best men in any industry are members of unions; and in New South Wales and other places where unionism has been in existence for many years, the unionists almost guarantee the competence of their members. It is this fact which has enabled the unions to retain their hold upon the working classes, whose position to-day is not due to anything that has been done for them by the Legislature. What they have gained has been won by united effort. The unionists have educated their fellows up to a recognition of the advantage of united action, and to the need of a Court for the rational settlement of disputes, instead of the barbarous methods of strikes and locks-out. Preference has been given to unionists by the New South Wales and New Zealand Arbitration Courts, although the principle is not specifically affirmed by the legislation under which those Courts were established, and the effect has been to encourage the increase of unions to a marvellous extent. The Prime Minister went into ecstacies of delight when speaking of the wonderful work which has been done by unionists. He put himself forward as a great champion of unionism, and then began to plead for the poor non-unionist, who, he says, is a human being, like the rest of us. His remarks were so much flapdoodle, or political claptrap, intended merely to catch votes, and to split up the labour organizations, whose friend he professes to be. But when the public outside understand this refusal of preference to unionists, to the men who have done so much to uplift humanity, and to improve the lot of the workers by making their conditions of life more like those of reasonable human beings than of slaves, so that they can, by educating their children, place them in better positions than they themselves occupy, they will recognise what a hollow pretence the professions of the Prime Minister are. The non-unionists have always reaped the advantage of the labours of the unionists, without bearing the obligations and burdens which the unionists have had to bear. Yet the Prime Minister would give preference to the non-unionists, and refuse it to unionists.

The CHAIRMAN.—The honorable member must address himself to the amendment.

Mr. WEBSTER.—I am pointing out that trade unionists have certain rights under State legislation, which would be denied to them under this Bill, that they will be brought within the scope of a law of a retrogressive character, and that honorable members are endeavouring to force upon the Statute-book legislation which will be ineffective, a delusion, and a snare. They propose to take away from the unionists the right to strike, and the right to claim preference. The unionists are being asked to give up all their liberties, to submit to be handicapped, and to be bound hand and foot. When they are within the toils they are to be exposed to the sneers and jeers of those who have put them there. It is proposed, under the amendment, that the Court shall be satisfied that the applicants for preference substantially represent, in numbers and in competence, the majority of those engaged in the industry. Surely, in spite of all the arguments by the honorable and learned member for Angas, that should be sufficient. The honorable and learned member, in common with all lawyers, is clever at twisting language in whatever way it suits him. I do not say that the honorable and learned member has acted dishonestly upon this occasion, but by the very nature of his training, his practice, and his every-day associations, he has become so accustomed to the distortion of facts that he has been led astray upon the present occasion. The amendment proposed by the honorable member for Bland has become necessary, because we regard the proviso in its present form as impracticable. We are anxious to give the Judge something that he can intelligently apply.

Mr. McCay.—He will be only a lawyer—this poor Judge.

Mr. WEBSTER.—I have a great respect for some of the old-time lawyers, and many of the young members of the legal profession will have to show great improvement before they can attain to the standard reached by their predecessors. I regard the word "substantial" as conveying a reasonable instruction to the Judge.

Mr. Dugald Thomson.—The honorable member wants the competence of each man

to be proved to the satisfaction of the Court.

Mr. WEBSTER.—I wish to adopt the principle, now applied in the New South Wales Arbitration Court, under which the Court requires to be satisfied that the circumstances are such as to warrant the granting of preference. The Minister of Home Affairs evidently regards the present proposal as a new one, but if he had made himself acquainted with the decisions arrived at by the New South Wales Court with regard to preference he would know that the honorable member for Bland has followed upon lines which have already been approved. My experience shows me that a fair and equitable employer always endeavours to get the best men he can, and to pay the best wages; furthermore, that the best workmen are generally found associted with unions—with the organizations that it is proposed under this legislation to place in a secondary position. I know that it always pays an employer to engage this class of workman.

Mr. REID.—Will the honorable member excuse me for directing his attention to the time?

Mr. WEBSTER.—Does the Prime Minister wish to adjourn?

Mr. REID.—Yes.

Mr. WEBSTER.—Shall I be at liberty to continue my remarks to-morrow?

Mr. REID.—Most certainly.

Progress reported.

House adjourned at 10.31 p.m.

Senate.

Wednesday, 7 December, 1904.

The PRESIDENT took the chair at 2.30 p.m., and read prayers.

PETITION.

Senator Lt.-Col. GOULD.—I beg to present a petition from the Archbishop of Sydney, on behalf of the Synod of the Diocese of Sydney, praying the Senate to insert in the Papua (British New Guinea) Bill a clause prohibiting the importation and sale of intoxicating drinks for beverage purposes in British New Guinea. When it was pointed out to me by the Clerk last week that a similar petition was irregularly signed, I communicated with Sydney by telegram, requesting that another petition be forwarded. This petition arrived on Friday last after I had left Melbourne, hence the delay in presenting it to the Senate.

Petition received and read.

DUTY ON CHINA OIL.

Senator TURLEY.—Is the Attorney-General in a position to state the intentions of the Government concerning the refund of duty paid on China oil?

Senator Sir JOSIAH SYMON.—My honorable friend will remember that the answer to his previous question was that there were difficulties in connexion with the legality of refunding the money. I have not had an opportunity to further consider the matter, but I shall do so as early as I can, and communicate with my honorable friend.

CASE OF MAJOR CARROLL.

Senator HIGGS asked the Attorney-General, *upon notice*—

1. Was the following letter written by direction of Major-General Hutton, late General Officer Commanding the Military Forces of the Commonwealth:—

"Military Forces of the Commonwealth,
"Head-Quarters, Melbourne,
"May 27, 1903.

"Captain and Hon. Major J. W. M. Carroll,
"Retired List.

"Sir,—With reference to your letter of the 14th inst., I am desired by the General Officer Commanding to inquire whether you are prepared, in the event of being placed on the Unattached List as requested, to refund the gratuity awarded you on retirement.—I have the honour to be, Sir, your obedient servant,

"J. C. HOAD, Colonel,
"D.A.G. and C.S.O."?

2. Were the contents of this letter brought under the notice of Major-General Sir Edward Hutton before the letter was forwarded to Captain and Hon. Major J. W. M. Carroll?

Senator Sir JOSIAH SYMON.—The answer to the honorable senator's questions is as follows:—

In the absence of Major-General Hutton, it is not possible at present to satisfactorily answer this question. If the honorable senator desires, the Minister will communicate with the Major-General on the subject.

NEW HEBRIDES.

Senator HIGGS asked the Attorney-General, *upon notice*—

1. How many British settlers have settled in the New Hebrides under clause 11 of the agreement, dated 12th March, 1902, between the Postmaster-General, Commonwealth of Australia, and Burns, Philp, and Co. Limited?

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2. What are the names of the settlers, and the places at which they have taken up land?

3. Is it true that, of the first instalment of seventeen intending settlers, who actually started from Sydney in the s.s. *Mambare*, on 31st May, 1902, three were diverted to other employment by the way, and three returned, dissatisfied with their explorations and the outlook?

4. What became of the remaining eleven of the seventeen settlers referred to in Qustion 3?

5. Has the Minister, under clause 11 of the agreement, required Burns, Philp, and Co. Limited to—

> "execute such conveyances, assignment, or assurances of all their right, title, and interest in all such lands and properties"

to any person or persons. If so, when, and in what instances?

6. What title or titles have Burns, Philp, and Co. to the lands mentioned in the second schedule of the agreement of 12th March, 1902?

7. Is it true that there are in existence several titles (British and French) to the first piece of land in the schedule, viz., Hat Island?

8. Is it true that there are so many alleged valid purchases of Hat Island from the natives that no one in the New Hebrides will risk a farthing in improvements in the island?

9. Has any Commonwealth Minister or his representative inspected the titles to the lands claimed by Burns, Philp, and Co. Limited in the New Hebrides, and named in the second schedule of the agreement of 12th March, 1902?

10. Are the Commonwealth Government satisfied as to the validity of all or any of the titles to lands mentioned in the schedule aforesaid?

11. Are the titles signed by the whole of the chiefs and headsmen of the tribes of natives concerned in the lands?

12. Will the Government, before requiring Burns, Philp, and Co. Limited to transfer a title to any person, satisfy itself that no other person has a title to the land proposed to be transferred?

13. The name of the person or persons who occupy the Gilbert and Ellice Islands?

Senator Sir JOSIAH SYMON.—The inquiries made may be more conveniently and satisfactorily dealt with in the form of a return, and if the honorable senator will take an opportunity of moving accordingly for the information sought the Government will treat the motion as formal.

Senator HIGGS asked the Attorney-General, *upon notice*—

1. Referring to the following questions asked of the Attorney-General on Friday, 25th November, and the reply thereto:—

. . . .

> "11. What are the names and tonnage of the vessels referred to in the following paragraph of the summary of negotiations for further extension:—
>
> "The whole of the six (6) steamers employed in this service are ocean-going vessels, which will be manned exclusively by white labour. All the provisions and coals, the officers, and crews are supplied in Australia"?

The Attorney-General replied—

. . . . .

> "11. The names and tonnage of vessels cannot be given at present, as, until the contract is about to be made, the firm cannot determine what vessels now owned by them shall be employed in the services, or what other vessels shall be bought or chartered"——

How were the Government enabled to say in the memorandum concerning the proposed extension that "the whole of the six (6) steamers employed in this service are ocean-going vessels," if the names and tonnage of vessels cannot be given at present?

2. Have the Government agreed to the payment of £12,000 subsidy without knowing the names and tonnage of the vessels to be employed in the proposed service?

3. Is it true that, while the rate of freight on goods from Sydney to Cooktown in Messrs. Burns, Philp, and Co.'s steamers, a distance of 1,518 miles, is 50s. per ton, the rate of freight from Cooktown to Samarai, a distance of 425 miles only, is also £2 10s. per ton. Also, that the rate of passage, single saloon, is—Sydney to Cooktown, £9 10s.; Cooktown to Samarai, £5; *i.e.*, for less than one-third of the distance, more than one-half of the fare. If these statements are not correct, what are the rates, freight, and passages to and from places named?

4. What rate of freight do the Government propose shall be charged under the proposed agreement?

5. Is it true that the return fare from Sydney to New Hebrides by Messrs. Burns, Philp, and Co.'s steamers is £18?

6. What passenger rate do the Government propose shall be charged under the proposed new agreement?

7. What were the single and return fares charged by Burns, Philp, and Co. for passengers to the New Hebrides during the year 1903?

Senator Sir JOSIAH SYMON.—With deference to the honorable senator, the matters referred to do not appear to me to be an appropriate subject for a question requiring an answer from the Government.

BRITISH NEW GUINEA.

Senator WALKER asked the Attorney-General, *upon notice*—

1. What total area of land in British New Guinea has been alienated by the Crown?

2. What was the total purchase money received for the land so alienated?

3. What area of land in British New Guinea has been sold subject to conditions of improvement?

4. What is the average price per acre of land so conditionally alienated?

5. Under what conditions and price per acre can land be purchased in Dutch New Guinea?

6. Under what conditions and price per acre can land be purchased in German New Guinea?

7. What restrictions at present exist in British New Guinea on the sale or supply of alcoholic liquors to the aborigines of New Guinea?

Senator Sir JOSIAH SYMON.—The inquiries made may be more conveniently

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and satisfactorily dealt with in the form of a return, and if the honorable senator will take an opportunity of moving accordingly for the information sought the Government will treat the motion as formal.

MARRIAGE LAWS.

Senator GUTHRIE asked the Attorney-General, *upon notice*—

Will the Government introduce a Bill early next session with the object of bringing about uniformity of the marriage laws of the Commonwealth?

Senator Sir JOSIAH SYMON.—I cannot promise, but the matter will not be overlooked when the programme for next session is being considered.

PREMIERS' CONFERENCE.

METEOROLOGY: IMPERIAL AFFAIRS.

Senator WALKER (for Senator MACFARLANE) asked the Attorney-General, *upon notice*—

If, during the proposed meeting of State Premiers and the Prime Minister in Hobart next month, the Government will arrange for a conference of the State Meteorologists, with a view to the taking over of their different Departments by the Commonwealth?

Senator Sir JOSIAH SYMON.—The suggestion will be considered.

Senator DOBSON asked the Attorney-General, *upon notice*—

1. Has the attention of the Prime Minister been called to the report of Sir Fredk. Pollock, published in the London *Times* of the 17th October last, suggesting that an Imperial Committee of the Privy Council be created to deal with Imperial affairs?

2. As Sir F. Pollock suggests that his report should be considered at the next Premiers' Conference to be held in London, will the Prime Minister bring under the notice of the Conference of Premiers to be held in Hobart in February next the schemes suggested in the report for dealing with Imperial affairs, so that such schemes may be thoroughly discussed and considered?

Senator Sir JOSIAH SYMON.—Sir Frederick Pollock seems to contemplate the subject being first considered at the next Premiers' Conference, to be held in London, but I shall take an early opportunity of bringing the matter under the notice of the Prime Minister.

LINOTYPE OPERATORS.

Senator HIGGS asked the Attorney-General, *upon notice*—

1. Is it true that, in response to the following advertisement inserted in daily newspapers of the various States, linotype operators have been engaged for Federal purposes :—

"Wanted, thoroughly competent lino. operators, who can average hourly at least 6,000 L.Pr. 15 ems corrected matter; constant employment offered. Apply to
"ROBT. S. BRAIN,
"Government Printer,
"Melbourne"?

2. Will the said linotype operators be given employment during the parliamentary recess?

Senator Sir JOSIAH SYMON.—The answers to the honorable senator's questions are as follow—

1. It is true that the advertisement was inserted, but it is not true that the linotype operators were engaged for solely Federal purposes.

2. The linotype operators who have complied with the conditions set forth in the advertisement will be employed during the parliamentary recess.

ORDER OF BUSINESS.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I move—

That during the remainder of the present session Government business take precedence of all other business, except questions and formal business.

I shall endeavour to give Senator Pulsford an opportunity of moving his motion, in connexion with preferential trade, but, of course, I cannot say on what day the time will be available.

Senator Lt.-Col. NEILD (New South Wales).—It would have been infinitely more satisfactory to the Senate, and also to the public, if the Attorney-General had indicated the intentions of the Government with reference to the business before each House of the Parliament. It is usual, when a Minister of the Crown asks either House of a Parliament to withdraw from private members the opportunity to introduce matters for discussion and legislation, to indicate what the Government's proposals are. We have arrived at a time when, I suppose, every one of us is only too anxious to conclude a session which, with the exception of "knocking off work to carry bricks" in the form of a general election, has lasted since the beginning of May, 1903. But while we are quite willing to bring our labours to a close in time to allow honorable senators, who live at a distance, to reach their homes before Christmas Day, I think that the Attorney-General might have extended his remarks sufficiently to indicate what the Government propose to ask the Senate to do, and when there is a probability of our labours terminating, I intend to vote against the motion, unless he is courteous enough to give us some information on those points. There is business of material public importance standing on the notice-paper in the names of private senators, and while if the sole object of the Ministry be to bring

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the session to a speedy conclusion, I am prepared to vote with them on the motion, I am not prepared to vote with them if the session is to be prolonged by the introduction of all kinds of matters which there is no hope of bringing to a termination. Suppose, for instance, that the Ministry desire to obtain Thursday afternoon, which is private business day, for the purpose of discussing the Iron Bonus Bill. We know perfectly well that two or three Thursday afternoons would not provide sufficient time for such a contentious measure to be dealt with during the present session. The Attorney-General tells us that he intends to endeavour to give Senator Pulsford time to submit a motion in connexion with preferential trade. That question cannot be settled by private members giving up their time. If the Government require to obtain a decision from the Senate, weeks of discussion will be necessary. If the debate is only to be a little bit of courteous byplay to a faithful supporter, I have no objection; but if the session is to terminate this year, such questions ought not to be brought on.

Senator de Largie.—Is there any reason why the session should end?

Senator Lt.-Col. NEILD.—Apparently not, judging from what takes place in another branch of the Legislature. Apparently there is a possibility of the session going on for ever, like the brook. But the Senate at least has shown a reasonable brevity in its debates, a cogency of reasoning, and a promptitude in coming to divisions that reflects credit upon every one concerned. If the Federal Parliament is becoming rather notorious for long-winded discussions, that reflection does not apply to the members of the Senate. I hope that what I have said will not be taken by the leader of the Senate as inimical either to his own well-being or that of his colleagues, but that the honorable and learned senator will vouchsafe to the Chamber some explanation as to what the intentions of the Government are. If those intentions are reasonable I shall vote with him. If not, I shall vote against him. If private business is to be abolished in favour of a motion by Senator Pulsford that cannot possibly lead to anything definite, I shall certainly deem it to be my duty to vote against the motion submitted by my honorable and learned friend.

Senator HIGGS (Queensland).—I think that the Attorney-General and his colleagues have been getting their business through the Senate with sufficient rapidity to permit of our retaining Thursday afternoon for private business. I do not believe that when members of the Government have lain awake at night considering the prospects, they ever expected, in their most hopeful moments, to get their business through as rapidly as has been the case in this Chamber. I am sure that the Attorney-General will be willing to admit that. I might have been prepared to support the motion had I received better treatment from him this afternoon. But when I find that I cannot get information from the Government I must object to their desire to take away time from private senators. I have asked a series of questions as to whether a certain firm has carried out the provisions of its contract, and the Attorney-General dismissed them with the reply that he thought they were proper subjects for a return.

Senator Drake.—But he offered to treat such a motion as formal.

Senator HIGGS.—I did not hear that. I am somewhat mollified by that statement. But we who have previously moved for returns, know that sometimes they have not been forthcoming for several months. If the Attorney-General will be good enough to add that he will see that the return is prepared before Parliament goes into recess, I shall waive any objection to private business being shelved. One of the matters to come before Parliament is a proposal to pay a subsidy of £12,000 to a certain firm. I have serious objections to that, and if the Government can furnish me with sufficient information, I think that I shall be able to induce the Senate to support me in my objection. If I cannot get information from the Attorney-General in response to questions, I must adopt some other course, and one of the alternative courses seems to be to object to a proposal that the Government shall have all the available time until the end of the session. Let me remind the Attorney-General that when he was leader of the Opposition, and when Senator Matheson asked a series of questions, the honorable and learned senator sympathized very deeply with him because he was treated similarly to what I have been treated this afternoon. He then said that an insult and an affront had been offered to Senator Matheson, whose questions were not answered. If Senator Neild calls for a division, I shall vote with him.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I am very

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glad indeed that when Senator Higgs' attention was called to the fact that I had promised to treat a motion for a return as formal, he felt a little mollified. I do not recollect the occasion to which he refers, when Senator Matheson asked a series of questions, but I am perfectly satisfied that, if he was treated with the same courtesy and desire to give information as my honorable friend, Senator Higgs, has received, there was no occasion for sympathy.

Senator HIGGS.—The questions were regarding some actions of Sir John Forrest, then Minister of Defence.

Senator Sir JOSIAH SYMON.—There have been so many occasions when Senator Matheson has referred to Sir John Forrest, that I am unable at this moment to recall the particular incident, but I shall take an opportunity at a later period to refresh my memory. I am sure that Senator Higgs will not feel on reflection that there is any desire to withhold information. While, of course, I cannot undertake that the return shall be furnished at any particular period, I shall press for an early compliance with the motion. If the information is available, it will probably be furnished at once, and if it is not immediately available it will be furnished as soon as possible.

Senator HIGGS.—It ought to be available.

Senator Sir JOSIAH SYMON.—As to what Senator Neild has said, of course the object of the motion is to facilitate the despatch of business. I did not take his remarks as inimical to myself or to the Government, nor was I able to discover any discourtesy in his criticism. I can assure him that the motion is not moved for the purpose of giving precedence to Senator Pulsford's motion. But when that honorable senator gave notice of his motion, he asked for an opportunity to have it discussed, and I promised him that an opportunity would be afforded. I intend to carry out that promise, but I am unable to say on what day the motion will be brought forward.

Senator Lt.-Col. NEILD.—What I desired to indicate was that the discussion on Senator Pulsford's motion could not be brought to a close, but that there were other motions on the paper that might be finally dealt with.

Senator Sir JOSIAH SYMON. — I have taken all these matters into consideration. Other motions on the paper have been there for a very long time, and might have been moved at an earlier date. But we cannot satisfy every one, and we must do the best we can.

Question resolved in the affirmative.

HOURS OF SITTING.

Motion (by Senator Sir JOSIAH SYMON) agreed to—

> That the Standing Orders be suspended to enable a motion to be moved, without notice, with reference to hours of sitting.

Senator Sir JOSIAH SYMON (South Australia — Attorney-General). — In accordance with the intimation which I made on Friday, and to carry out the general wish expressed by honorable senators, I move—

> That, unless otherwise ordered, the hour of meeting on each sitting day during the remainder of the present session be half-past ten o'clock in the morning.

I do not think I need say a word in support of the motion. The general feeling is that we ought to meet in the morning. It will be noticed that the motion says, "unless otherwise ordered," so that the time of meeting can be altered at any time.

Senator STEWART (Queensland).—I should like to know the reason for this hurry at the present stage. The Attorney-General has given no reason for submitting this motion. It would have been much better had he and those who support him paid a little more attention to work earlier in the session. If they had done so, it would not now be necessary to resort to this as a kind of extreme step.

Senator MATHESON. — Better late than never!

Senator STEWART.—I would point out that we have before us several Bills of great importance.

Senator MATHESON.—All the more reason for meeting early.

Senator STEWART.—I, at any rate, am anxious to have some time to consider the attitude which I shall take up in regard to those measures. Under ordinary circumstances, I should devote the forenoon to such business, but the Attorney-General apparently desires us to come here at half-past 10 o'clock in the morning, prepared to deal right off with whatever business is on the paper. I object to that method of transacting public business. We are responsible for legislation, though that responsibility seems to sit very lightly on some honorable senators. The Defence Bill is of great importance, and it is a measure on which I am sure we shall hear

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Senator Matheson often, and at great length. I, too, desire to say something in regard to its provisions.

Senator Gray.—Does the honorable senator suggest that we should meet at 9 o'clock in the morning?

Senator STEWART.—I am not suggesting anything of the kind, my opinion being that if we meet at half-past 2 o'clock in the afternoon, as hitherto, we shall do very well. I know that our New South Wales friends are extremely anxious to "shut up shop" and get into recess; that is all they care about. I am also aware that the Government are anxious to get away from the fire of opposition—to get out of range, so to speak.

Senator Sir Josiah Symon.—The honorable senator is mistaken; the Government are never so happy as when within range.

Senator STEWART. — The Attorney-General protests too much. I observe that he is extremely glad occasionally to get behind the ramparts, and the cover on this occasion means recess. It must not be forgotten that we have the Estimates to deal with.

Senator Lt.-Col. Gould.—I suppose we shall swallow the Estimates straight away.

Senator STEWART.—Yes, bolt them without mastication; but that is an extremely foolish proceeding.

Senator Mulcahy.—The Estimates might choke us.

Senator STEWART.—They might, but, what is of more consequence, they might choke the tax-payers; and if the Attorney-General has no consideration for the latter, I have. The intention appears to be to close the session before Christmas. I have no objection to concluding the business a week before that season.

Senator Pearce.—What is the use of that to Western Australian senators, who would not then be able to get home by Christmas?

Senator STEWART.—Western Australia is a very unimportant part of the Commonwealth, and we ought to consider Victoria, South Australia, and New South Wales more than we do. Queensland and Western Australia are two of the outposts of the Commonwealth—sort of back-block distant relations, so to speak. Hitherto, those States have received very little consideration from either the Government or the representatives of New South Wales and South Australia.

Senator Playford.—More money is spent per head in Western Australia and Queensland than in the other States.

Senator STEWART.—But those States contribute more per head of the taxation.

Senator Playford.—There are not so many heads.

Senator STEWART.—This is a digression; but Senator Playford ought to know that the cost of government is greater in the two States I have mentioned than in the more closely settled communities. I suppose that the Government, if we do meet at half-past 10 o'clock, will keep us sitting until late at night, so that we shall have no opportunity to look up information as to the Estimates, or to prepare ourselves for the ordinary business. Why not meet after Christmas if necessary? I should be quite ready to come here early in January.

Senator Staniforth Smith.—Why not sit straight on?

Senator STEWART.—I have no objection, but I suppose the honorable senator's religious scruples would stand in the way of our meeting on Sundays.

Senator Mulcahy. — Would Senator Stewart be willing to attend on New Year's Day?

Senator STEWART.—Yes, and even on Sunday. I trust the Senate will consult its own dignity by refusing to adopt an innovation of the character proposed.

Senator Lt.-Col. NEILD (New South Wales).—I have not been able to obtain from the Attorney-General any idea as to what are the definite intentions of the Government, supposing there are any definite intentions, as to the course of business. If this motion has any meaning, it is that we are to meet on Wednesdays at half-past 10 o'clock in the morning. If that is so, the Government is either going to run a risk, or ask senators from New South Wales to do something that is rather unreasonable.

Senator McGregor.—Can the honorable senator not stay in Melbourne for one week end, as other honorable senators have to do regularly?

Senator Lt.-Col. NEILD.—I do not trouble myself about Senator McGregor's personal arrangements; perhaps he has nothing to do in South Australia, while senators from New South Wales may have business to transact within their own State. If the Senate meets at half-past 10 o'clock on Wednesday morning, New South Wales

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senators will have to arrive here on the Tuesday, and spend the day and night doing nothing.

Senator MATHESON.—What a hardship!

Senator Lt.-Col. NEILD.—It would be much better to meet on the Tuesday instead of wasting the best part of twenty-four hours. On the other hand, if the Attorney-General cares to risk divisions without the attendance of senators from New South Wales, that is his concern, as responsible for the conduct of public business. The New South Wales senators are pretty regular in their attendance, and I again point out that the Attorney-General may have to take the risk of divisions on Wednesday morning without their presence.

Senator PULSFORD (New South Wales).—I am perfectly willing that the Senate should meet on Tuesday. The Senate has on many occasions considered the disabilities under which New South Wales senators labour, and the time has arrived when the latter may fairly return the courtesy extended to them.

Senator WALKER (New South Wales).—I agree with what Senator Pulsford has said. I suggest that there is no reason why we should not meet on Saturday this week.

Senator O'KEEFE (Tasmania).—I can scarcely understand this new-born zeal on the part of honorable senators from New South Wales. Senator Neild might consent to sacrifice himself on the altar of duty for his country's sake, and come to Melbourne a day earlier than he has been in the habit of doing. I ask Senator Neild to remember that at least eighteen of the thirty-six senators have, for the last three or four years, laboured under the inconvenience to which he is now objecting on his own account.

Senator Lt.-Col. NEILD.—I propose that we meet on Tuesdays.

Senator O'KEEFE. — One honorable senator has suggested Saturday, and I suppose some one else will propose that we meet on Sunday. I am prepared to fall in with the proposal of the Attorney-General.

Senator GRAY (New South Wales).—I have entire confidence that the Government and the Attorney-General will do their best to bring the session to a close in the interests of the Commonwealth, and I support the motion.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—All of us who come from what I may call the near States have great reason to be grateful to our fellow-senators from the more remote States, who have been unable to visit their homes from week to week. Personally, I feel extremely grateful to those honorable senators; and the least we can do, when public business and the occasion demand it, is to follow their example without grumbling, or making a grievance. Let us sit right up to the week end, if necessary, in order to do our duty to the country. I care no more than any other honorable senator to be here more than is necessary.

Senator Lt.-Col. NEILD.—The honorable and learned senator has been away from the Senate in the past more than anybody else.

Senator Sir JOSIAH SYMON.—But, perhaps, I may be more useful than some other honorable senator when I am here. I think that interjection is very unnecessary, and, if I may say so, not in accord with that courtesy for which the honorable senator is famous. I should be extremely sorry if any business of importance were transacted in the absence of senators from New South Wales. Senator Neild has thrown out hints—I do not say threats—as to what may happen if we sit at half-past ten o'clock. I should deeply deplore the absence of those honorable senators, but if they are not here, we must do our best to get through the business without them. We value their presence—I hope they will not consider this mere lip service—and the Government desire their support when that can be given in accordance with their conscience. But if those honorable senators, as I say, cannot be here, we shall have to do without them. I am not submitting this motion with a view to bringing honorable senators here to "kick their heels" for an afternoon. I am prepared to sit on Mondays if the public business requires it, and also on Saturdays, for the matter of that. We are all anxious to get the business done, but I hope no such drastic arrangement as that I have indicated will be necessary. I need not assure every honorable senator that I shall consult their convenience as far as possible. We are not here to do business at the expense of our fellow-senators, or to make arrangements likely to cause trouble. We can only do our best; but there must be time in which to transact the public business. I cannot say when I shall ask honorable senators to sit, but if I should have to ask them to meet on Monday and Tuesday, I know I can rely on their co-operation. If we should sit on Monday or Tuesday, and it is found inconvenient to

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commence business at half-past 10 in the morning, I shall be glad to endeavour to arrange for an afternoon sitting on those days. I once more point out that the motion is conditional, the words used being, "unless otherwise ordered," so that if the business does not require it, we need not meet in the morning.

Question resolved in the affirmative.

DEFENCE BILL 1904.

In Committee (Consideration resumed from 1st December, *vide* page 7715):

Clause 2 (Amendment of definition).

Senator STEWART (Queensland).—It is a very serious omission on the part of the Government that copies of the principal Act have not been supplied to honorable senators.

Senator KEATING.—It will be found in the volume of Statutes.

Senator STEWART.—I want it here, and the fact that it is to be found in the volume of Statutes does not, in my opinion, supply the omission on the part of the Government.

Clause agreed to.

Clause 3 (Appointment of Inspector-General of Military Forces and Director of Naval Forces).

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—This clause amends section 8 of the principal Act, which provides—

The Governor-General may—

I. Appoint a Military Officer of the King's Regular Forces or of the Defence Force to be the General Officer Commanding the Military Forces of the Commonwealth.

II. Appoint a Naval Officer of the King's Naval Forces, or of the Defence Force, to be the Officer Commanding the Naval Forces of the Commonwealth.

Those two sub-sections will by this clause be omitted, whilst the appointment of an Inspector-General of the Military Forces and a Director of the Naval Forces is proposed to be substituted. Section 8 of the principal Act further provides:—

III. Appoint any part of the Commonwealth to be a Military district.

IV. Divide any Military district into sub-districts.

V. Appoint an officer to be Commandant of any Military district.

VI. Direct what forces shall be established in Military districts and sub-districts respectively.

VII. Appoint and promote officers of the Defence Force and issue commissions to them.

I move—

That the following words be added—"and by adding the following paragraph:—

VIII. Appoint an officer or officers of the Defence Force to command the whole or any portion of the Defence Force in time of war."

The policy is to appoint the Inspector-General. The appointment will be made by the Governor-General in the exercise of the royal prerogative, but the desire has been expressed that it should be stated in the Bill.

Senator DOBSON.—The officer appointed to command will not necessarily be the Inspector-General?

Senator Sir JOSIAH SYMON.—He may or may not be, but it is contemplated that he shall be.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 4 verbally amended and agreed to.

Clause 5 —

Section eighteen of the Principal Act is hereby repealed, and the following section substituted in lieu thereof:—

18. Warrant officers, non-commissioned officers, and petty officers shall be appointed, and shall hold their offices as prescribed.

Senator STEWART (Queensland). — Does this clause mean that these officers are to be appointed as prescribed under regulations to be framed under this Bill?

Senator Sir JOSIAH SYMON.—Yes.

Senator STEWART.—Does the Attorney-General consider this clause an improvement upon the provision in the principal Act?

Senator Sir JOSIAH SYMON.—I do.

Senator STEWART.—I find that section 18 of the principal Act provides that—

Warrant officers and non-commissioned officers in the Permanent Military Forces shall be appointed by the General Officer Commanding or by officers deputed by him in that behalf.

(2) Warrant officers and non-commissioned officers in the Citizen Military Forces shall be appointed by Officers Commanding Regiments and Corps, subject to the approval of the District Commandant.

We should have some indication as to how these appointments are to be made in future, and some reason should be given for the proposed departure from section 18 of the principal Act.

Senator Sir JOSIAH SYMON. — My honorable friend will see that under section 18 of the principal Act, to which he has referred, warrant and non-commissioned officers in the Permanent Military Forces are to be appointed by the General Officer Commanding in the Citizen Military Forces, by Officers Commanding Regiments and Corps, and in the Naval

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Forces by the Naval Officer Commanding, whilst paragraph 4 of section 18 is practically identical with the section proposed to be substituted for section 18 by this Bill. It cannot be stated with certainty how the appointments and allotment of duties can be best made until we have the new scheme in operation. It is, therefore, felt that it is better that the whole matter should be dealt with by regulation, as well as the terms upon which the appointments are to be held. So far as regards the appointments, what is at present contemplated is that the regulations shall be framed in line with paragraph 2 of section 18 of the principal Act as it now stands; but the matter cannot be absolutely determined until this Bill is passed, and the new scheme is in operation.

Clause agreed to.

Clause 6—

Section nineteen of the principal Act is hereby repealed, and the following section substituted in lieu thereof :—

"19.—(1) The seniority (other than the regimental seniority) of officers in the Active Forces in their respective ranks shall be regulated by the date of their appointments, and when appointments are of the same date, by their seniority immediately prior to their appointments, or, in the case of first appointments, by the order in which their names appear in the *Gazette* or *Government Gazette* of a State or of a Colony which has become a State in which their appointments are notified.

(2) "The regimental seniority of officers shall be as prescribed."

Senator STEWART (Queensland).—Does this clause mean that in the event of the *Gazette* notices being arranged alphabetically an officer whose surname begins with "B" is to be considered senior to an officer whose surname begins with "R"?

Senator Sir JOSIAH SYMON.—Senator Stewart will see that the object of this clause is not to deal with general seniority. In that respect no change is made. The only change proposed is in connexion with what is called "regimental seniority." Sub-clause 1 of the proposed new section 19 leaves untouched existing seniority in the Active Forces. The only change is that word "appointments" is used instead of the word "commissions." It is simply a verbal change in order to secure uniformity with section 8 of the principal Act, which provides that the Governor-General shall appoint and promote officers. There is no alteration in substance, but the change which is made is in regard to regimental seniority, and that in future is to be as prescribed. The object is to get rid of an anomaly which has been the cause of very great inconvenience, and, naturally, of discontent. When an officer left his regiment, or was placed on the unattached list, and subsequently—it might be after an interval of years—went back to the regiment, he kept the old seniority, and a number of officers, who had been serving during his absence, and who naturally were up-to-date, lost the benefit of the intervening service. The usual practice in such cases is for the returning officer to take the position of junior to all those who have continued in active service. Take, for instance, the case of a captain who, having served with his regiment for years, was on the reserve list for ten years in another State, and wished to get back on the active list. Under the existing system he would be placed there with the old seniority, but under this provision he would have to take the position of junior to all those who had gone through the intervening service, that is, if the same rules be adopted as are adopted in the British Army.

Clause agreed to.

Clause 7—

Section twenty-eight of the Principal Act is hereby repealed, and the following section substituted in lieu thereof :—

"28.—(1) The Governor-General may constitute a Council of Defence, which shall have such powers and functions as are prescribed.

(2) The Governor-General may constitute a Board of Administration for the Military Forces, to be called the Military Board, and a Board of Administration for the Naval Forces, to be called the Naval Board.

(3) The Military Board and the Naval Board shall respectively have such powers and functions as are prescribed."

Senator MATHESON (Western Australia).—I have given notice of my intention to move an amendment in sub-clause 1. This Council of Defence is to be simply an advisory body. It will advise certain members of the Ministry as to its professional views on various questions; minutes of its discussions will be recorded, and the Cabinet will afterwards come to its decisions under the influence of the advice which has been received from this quarter. This will not relieve the Ministry of its responsibilities. That is the description of the Council given in the famous report of Senator Dawson's Committee. A great many of us feel that it is extremely desirable that the constitution of the Council should not be left en-

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tirely to the Government of the day. If the clause were left exactly as it stands, that would be the result. At the present moment we know exactly what the Minister of Defence proposes, because it is set out with, more or less clearness in his memorandum. He proposes that the Council shall consist of the Minister of State for Defence, the Treasurer, the Inspector-General, the Naval Director, and the Chief of General Staff. I propose to adopt that list in the first place, and to move that the first sub-clause be amended by inserting the names of those gentlemen after the word "Defence." That, I take it, can hardly be a contentious question. Most of us are agreed that Mr. McCay's proposal is sound up to that point. Later on, if I am successful in carrying my first amendment, I propose to include the Prime Minister and two political members. At the present time, however, I wish, if possible, to deal with that portion of the amendment which is practically non-contentious. Therefore, I move—

> That after the word "Defence," line 5, the following words be inserted—"consisting of
> The Minister of State for Defence;
> The Treasurer;
> The Inspector-General;
> The Naval Director;
> The Chief of General Staff."

Senator Sir JOSIAH SYMON.—This is really a very inconvenient way of dealing with the subject. My honorable friend's amendment, as printed, must be looked at as one and entire. He is not satisfied with putting in these words. His idea is to offer a new policy with regard to the constitution, and in some respects the functions and status of the Council of Defence and also the Military and Naval Boards. The present amendment involved the rejection of the proposals of Senator Dawson's Committee, and of the proposals of the present Government. It invites the Committee to adopt the scheme of military defence which was advocated by my honorable friend here last year. It means the rejection of everything which has been done since the Deakin Government began to consider the subject. My honorable friend cannot, so to speak, blow hot and cold. He must either accept our policy or reject it. I could understand him saying that where the present Government has departed from the scheme suggested by Senator Dawson's Committee, a mistake has been made, but he asks the Committee to condemn Senator Dawson's proposals, as well as our own. To put in these words would be to approve of our scheme, when his object is to condemn it.

Senator MATHESON.—That is at a later stage.

Senator Sir JOSIAH SYMON.—The present amendment is only a slice of the proposal which is in print. Does my honorable friend say that the amendment. as a whole, does not present his policy?

Senator MATHESON.—Not the one I have moved.

Senator Sir JOSIAH SYMON.—Does my honorable friend say that he is not going to move any more of the amendment in print?

Senator MATHESON.—The Committee can reject the further amendment.

Senator Sir JOSIAH SYMON.—We are not here to play skittles with the legislation of the country, but to carry out a policy.

Senator MATHESON.—My amendment embodies the policy of the Government, as far as I have gone.

Senator Sir JOSIAH SYMON.—It is an affirmance of a policy with which my honorable friend disagrees entirely. Does he think that he is treating the Committee quite fairly, when he proceeds in this way? It is being placed in an awkward position. I ask honorable senators to notice that this amendment is the first instalment of a policy which is diametrically opposed, in some essential features, to the policy of Senator Dawson's Committee, and to the policy of the present Government. No responsible person has approved of my honorable friend's scheme. He wishes the Council to include two political members, but in order to get in a member of either House, he has to reject the provision made for consultative members, in the other proposals. If a member of each House were included in the Council, it would practically lessen that Ministerial responsibility which my honorable friend says underlies the whole scheme.

Senator MATHESON.—It is simply consultative; there is no responsibility connected with membership.

Senator Sir JOSIAH SYMON.—It is not consultative. My honorable friend proposes that the Council shall include a member to be elected by the Senate, and a member to be elected by the House of Representatives. So long as that election continued, these two members would be a kind of offshoot—a kind of additional responsible government—responsible to the House of Representatives and to the Senate. The two Houses might vote "no-

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confidence" in them at some time or other. Such a system would naturally tend to lessen the responsibility of the Government of the day, because these two gentlemen might be merely scapegoats for anything to which exception was taken. Then I say that the consultative members are an essential feature of this scheme. My honorable friend himself, if I recollect rightly, at an earlier period of this session, approved of States Commandants, or States establishments, being represented when their services were required. There cannot be a doubt that it is infinitely to the advantage of the whole project that there should be an opportunity to call in the aid of representatives of the Citizen Forces, and of others who may be capable of giving valuable counsel in respect of matters upon which they are experts. I simply point out these things to the Senate, to illustrate that what my honorable friend is proposing to do in his very natural earnestness upon this matter—which we all appreciate—is to supersede the policy advocated by the last Government, and the policy laid before Parliament by the present Government. He proposes to reverse that policy. I venture to think that he would be wise not to press his proposal under the circumstances. In the formal part of my honorable friend's proposal he seeks to introduce into this Bill, which ought to be as elastic as possible, a rigid appointment by Act of Parliament of the Council of Defence, the Military Board, and the Naval Board. That would be absolutely fatal to the success of any defence scheme of this kind. If there is one object after which we ought to strive more than another—so long as we retain adequate parliamentary control—it is that the scheme should be elastic. It is impossible, when introducing a new scheme, to lay down everything with iron rigidity. For instance, suppose that when we came to carry out the scheme which has been approved of by both the House of Representatives and the Senate, and which has my honorable friend's approval, except in details, we found that it was necessary to introduce or to drop one or other of the officers proposed, or to make some other arrangement. That could not be done until Parliament met again, if my honorable friend's proposal were carried. But, under the Bill, as it stands, we could do it as part of the Government policy, for which we should be responsible. When Parliament met again it could express its opinion without any fresh Bill being passed, the change having been made in the meantime. We leave it to the Government of the day, whoever they may be, to make the appointments, and they are responsible to Parliament. We do everything by regulation, and these regulations, within fifteen days of the meeting of Parliament, may be challenged. If any change is sought to be made, without a fresh Act of Parliament, it may easily be done. And that is so in England. There, as my honorable friend knows, these appointments are all made by Order in Council. We are following exactly the English method. Why should we in this country, where the Government is responsible, relieve them of responsibility, and shift it on to the shoulders of Parliament, when the Imperial Government with far greater responsibilities, and, of course, a far more extensive area of responsibility in regard to military and naval matters, do these things in an elastic way by Orders in Council? It has never been suggested in England that it should be put in a Bill. To do so would be to relieve the Government of their just responsibility, and would at the same time make it difficult for them should any immediate change be necessary to carry it into effect. I have said sufficient on the question of substance—and this amendment is one of form, as well as of substance—to show that what my honorable friend proposes to introduce is contrary to the policy of Senator Dawson's Committee, and to our policy. When I speak of this as a matter of form, I do not use that term in the sense that it is non-controversial, or amounts to nothing. On the contrary, I say that it would be a serious blot on the scheme if we did what my honorable friend desires. But it is a matter of form, in the sense that he desires to have a rigid provision in an Act of Parliament, appointing the individual members unchangably by the names of their offices. I say that that is contrary to the spirit of constitutional and responsible government. It is contrary to the policy adopted in England, in giving effect to what is generally known as the Esher scheme, and it will be a source of great inconvenience in carrying this desirable scheme into effect in the best possible way. Furthermore, it will shift responsibility from the shoulders of the Government, and on to the shoulders of Parliament. I hope, therefore, that my honorable friend will not press his amendment, either as a matter of substance, or of seeking to make iron-bound appointments in

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place of what should be elastic. The scheme as it stands leaves the responsibility with the Government, and will enable the scheme to be carried into effect with such modifications as Ministers may be advised to carry out within the ambit of the Bill, of which Parliament will have approved.

Senator Lt.-Col. GOULD (New South Wales).—I have listened with close attention to the remarks of the Attorney-General in his reply to Senator Matheson. I would remind the Committee that a great deal of the objection that has been raised by Senator Symon relates to a proposal which is not now before the Committee. Senator Matheson's amendment, which is now under consideration, is that the five persons mentioned—the Minister of Defence, the Treasurer, the Inspector-General, the Naval Director, and the Chief of the General Staff—shall be embodied in this Bill as forming part of the Council of Defence. I take it that the Government themselves recognise that these persons should be upon the Council of Defence. If that be the case, then Senator Matheson's amendment is not in any way contrary to the policy of the Government. When Senator Matheson moves that the other persons mentioned in his proposal shall be appointed, it will be admitted that his proposal will then run counter to that of the Government. It will then be open to the Committee to reject or modify them. It will be open to the Senate to say that the five names mentioned shall form part of the Council of Defence, together with such other representatives as the Executive may see fit to appoint. My objection to the Bill has been that it is a bare frame-work upon which anything that the Government of the day may consider necessary may be hung. The Attorney-General, in speaking in opposition to Senator Matheson's amendment, pointed out that there was a difference between the scheme of the late Minister of Defence, Senator Dawson, and the scheme of the present Government. Does not that difference show at once that it is very possible that, as Governments come and go, changes may take place with regard to the constitution of the Council?

Senator Sir JOSIAH SYMON.—Governments are always responsible to Parliament.

Senator Lt.-Col. GOULD.—I am aware of that fact, but it is a mistake to put the defences of the country in such a position that there will be no certainty of continuity in regard to the constitution and policy of any body that Parliament may see fit to establish.

Senator Sir JOSIAH SYMON.—There will be absolute continuity of policy on the Council of Defence.

Senator Lt.-Col. GOULD.—That Council may be composed of certain individuals one day and other individuals another day. This Bill may be passed, but there will be nothing to prevent the Government of the day appointing quite other persons to the Council. It is true that they are responsible to Parliament for whatever they do, but the fact remains that they can substitute other persons if they see fit. There is nothing in the Bill to prevent them from doing that. We ought to lay down definite principles, and determine the persons who shall hold these offices by Act of Parliament. We shall thus insure that our defence policy will be continuous, unless, of course, Parliament sees fit to make an alteration. But, as the Bill stands, the Government can appoint whom they think fit. Indeed, they need not appoint a Council of Defence at all, unless they choose. The clause is permissive.

Senator Sir JOSIAH SYMON.—The honorable and learned senator knows perfectly well that this scheme has received the approval of the other House, and that its principles have been approved of by the Senate.

Senator Lt.-Col. GOULD.—I know that. But there is no provision in the Bill which names the individuals who are to form the Council.

Senator Sir JOSIAH SYMON.—We have named them in this Chamber and in the other Chamber.

Senator Lt.-Col. GOULD.—What legislative authority is that? Suppose the present Government went out of office the day after this Bill became law, does he mean to say that the next Government would be bound by this scheme? The next Government might say—"We consider the scheme to be wrong, and that it ought to have been amended in such and such a way," and they might decide to carry out their ideas. It is true that if they so decide it might bring about a Ministerial crisis, but we should have ourselves to blame for having put such a proposal in this Bill. I do not say that the whole of Senator Matheson's proposal should be carried; but so far as it now stands, it is in accord with the policy of the Government as placed before this Chamber. That policy, I admit, has been laid before us with perfect honesty of purpose, and I do not make any complaint in

that connexion. In my opinion, however, it is desirable that we should determine how and by whom this Council of Defence is to be constituted. Not one word can be said against any of the gentlemen named here. The Government have said that those gentlemen will be placed on the Council of Defence, and all that is taken exception to is the further proposal which Senator Matheson intends to move at a later stage. I admit also that the Attorney-General has declared that this provision must be elastic, and not rigid; but that there should be liberty to substitute other persons, subject to Ministerial responsibility. This, and another place, will go into recess in the course of a week or two, and in the recess drastic changes may take place. This Parliament will have no control over the changes until we meet next session, when members may condemn the Government for adopting what is deemed to be an unwise scheme. But the mischief, if any, will probably have been done by that time.

Senator PEARCE.—And the party whip may have been cracked.

Senator Lt.-Col. GOULD.—That is so, and by that means, a scheme may be adopted which would otherwise not commend itself to us. I say, therefore, that if we set forth in the Act how this Council is to be constituted, we shall, at any rate, have some certainty as to who shall be the permanent members. While I recognise Ministerial responsibility, still, there are subjects which should be otherwise dealt with. We cannot say that the whole of the wisdom of Parliament is or is not centred in the Government of the day. We have had two schemes before us within the last few months—the scheme of the late Minister, Senator Dawson, and the scheme of the present Minister of Defence, and one departs from the other in certain particulars.

Senator Sir JOSIAH SYMON.—The departures are of the slightest character; in one scheme the Prime Minister is a member of the Council, and in the other scheme he is not a member.

Senator Lt.-Col. GOULD.—It has also been pointed out that this is a scheme which is founded on one adopted in the old country, though in certain respects the latter has been departed from.

Senator Sir JOSIAH SYMON.—And why not? The honorable senator surely does not want us to slavishly follow the old country where the conditions are different?

Senator Lt.-Col. GOULD.—But the Government appear to have been slavishly following the old country in framing a scheme providing for an absolute change of principle. This scheme has been formulated entirely in the teeth of the recommendations of the late General Officer Commanding, Sir Edward Hutton. The General Officer Commanding took exception to the scheme, and pointed out that there was a great difference between a force of 25,000 and a force of some hundreds of thousands.

Senator Sir JOSIAH SYMON.—I explained all about that.

Senator Lt.-Col. GOULD.—We have not the benefit of the experience and knowledge which is at the command of England in military affairs. However much our own men may be determined to make themselves proficient, they cannot profess to have the same knowledge or skill which is to be found in the very heart of the Empire. I recognise that we are committed to a change of scheme, and I raise no question as to that just at present. But if we are committed to a change we ought to lay down such rules, in the matters of detail to which the Minister has referred, as will insure certainty in regard to the composition of this as well as of other councils.

Senator PEARCE (Western Australia).—We can almost judge from the objections raised by the Attorney-General to the amendment that the scheme has not had that consideration from the Cabinet which its importance warrants.

Senator DRAKE.—Yes, it has.

Senator PEARCE.—If the Government have thoroughly convinced themselves, why hesitate to provide in the Bill for their own proposals? On page 7607 of *Hansard* the Attorney-General is reported as saying that the proposed Council of Defence will consist of the Minister of Defence, the Treasurer, the Inspector-General, the Naval Director, and the Chief of the General Staff. That is practically what Senator Matheson's amendment proposes, and I do not see what objection there can be to such a provision. It seems to me that the Attorney-General confined his objection almost solely to the second portion of the amendment, and I am free to confess that there seems to be some force in the objection raised. I cannot agree with him as to the advisableness of having three Ministers on the Council, but it seems to me bad grace on the part of the Government to oppose the first portion of Senator Matheson's proposal. As Senator

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Gould pointed out, while we should have the Council of Defence as sketched by the Government, there would be no statutory force behind it.

Senator Sir Josiah Symon.—Nor is there in England.

Senator PEARCE.—I do not know that legislation has reached this stage in England.

Senator Sir Josiah Symon.—Yes; the Council of Defence is established there.

Senator PEARCE.—But no Defence Bill has been passed in England.

Senator Sir Josiah Symon. — The scheme is adopted by Order-in-Council.

Senator PEARCE.—Quite so, but here the circumstances are different.

Senator Sir Josiah Symon.—That is merely because we have a Defence Act, and certain amendments have to be made to provide for an Inspector-General instead of a General Officer Commanding.

Senator Matheson.—The system is entirely different here from the system in England.

Senator Sir Josiah Symon.—Not in that respect.

Senator Matheson.—There was no necessity to amend the Defence Act in England.

Senator Sir Josiah Symon.—Because the scheme is proclaimed by Order-in-Council.

Senator PEARCE.—We are doing something more by this Bill than give the Governor-General power to constitute a Council of Defence.

Senator Sir Josiah Symon.—That is all.

Senator PEARCE.—Certain proposals were considered by the present and preceding Ministers of Defence, and a decision was arrived at. On that decision a memorandum has been circulated, and now we are asked, on the basis there set forth, to amend the Defence Act. It would be a perfectly fair proposition to say, "We are prepared to make the alteration, but we should prefer to see it provided for in the Bill — we should prefer to see the Council made a statutory Council. I cannot understand why there should be any objection to that course. There can be only one reason for objecting, namely, that the Government wish to have power to alter the composition of the Council without consulting Parliament. The Government always have power to make an alteration of the kind by consulting Parliament—an amending Bill can always be introduced. Senator Gould has pointed out that nominally we have the power to criticise the administration of the Government during recess; but we know how much that power is shorn of all force, first of all, by the party system of government. In the Senate I admit that we can criticise the Government pretty freely from all sides of the House; but what is the effect? We have not, or, at any rate, we have not shown that we have, power over the life of the Government, and, therefore, the Government may disregard our criticism. In another branch of the Legislature, criticism from Government supporters comes as a friendly act, with no force behind it. If the criticism is from the Opposition, and there is some force behind it, the Government may destroy that force, by making the question a party one. I trust the Committee will accept the amendment, so that the country may know what sort of Council we are constituting. That having been done, we may argue the point raised by the Attorney-General, as to whether we should alter the constitution of the Council, as proposed. I shall support the first portion of Senator Matheson's amendment.

Senator MATHESON (Western Australia).—I should just like to say a word as to the Attorney-General's remarks on the subject of the procedure in England. The Attorney-General is probably aware that in England there is no such Defence Act as we have. From the start we have adopted an entirely different system, and have thought it advisable to lay down by Act, which will have force until repealed, a number of rules in connexion with our Army. It seems to me perfectly logical that we should now go a step further, and adopt the Government scheme—because that is all I propose at this stage—and provide for the constitution of the Council in the Bill. In England, there is an Act which used to be called the Mutiny Act, but which is now called the Army Act, and which is passed each year. That Act determines the size of the standing Army of Great Britain, and all else is left in the hands of the King—that is to say, the King-in-Council. Under that system it was perfectly natural that the Council of Defence should be constituted by the Government without a Bill. But in Australia, as I have said, the circumstances are entirely different. We have adopted another principle from the start, and there is no reason why we should not continue to act on that principle. The other objections raised by the Attorney-General have been met by previous

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speakers, and, therefore, I shall not take up any further time.

Senator WALKER (New South Wales).—I intend to support the Government in this matter. I should like the Attorney-General, however, to show some connexion between the Bill and the memorandum in which the scheme is set out. My impression is, that we may trust the Government to carry out what is laid down in the memorandum, and all I ask now is whether there is not some way in which a connexion can be shown between the two.

Senator Sir JOSIAH SYMON.—I am much obliged to Senator Walker for calling my attention to that point. If he will allow me to say so, the honorable senator has made a perfectly legitimate and proper inquiry, which enables me to say that I am astonished at the view of constitutional government which has been put forward by Senator Gould. I confess that I was positively staggered at the opinions expressed by the honorable and learned senator. If the late Government had been in power, and Senator Dawson, as Minister, had had his scheme dealt with, first by this, or the other House, either on the Estimates, as in the other Chamber, or on a Defence Bill, which is the appropriate way in this Chamber, the passing of either the Estimates, or the second reading of the Bill, would have been an approval of the Government scheme of defence.

Senator Lt.-Col. GOULD.—An approval of the principle.

Senator Sir JOSIAH SYMON.—Of course—that is, of the scheme, and of its details.

Senator GIVENS.—What is the object of going into Committee?

Senator Sir JOSIAH SYMON.—We are not in Committee on the scheme, which has been adopted in principle, and in detail.

Senator GIVENS.—We have adopted the principle of a Council of Defence.

Senator PLAYFORD.—What is the objection to providing for the details in the Bill?

Senator Sir JOSIAH SYMON.—In the first place the Government proposes its scheme to Parliament. It is adopted, and it is proposed to give it effect by means of a Bill. That is necessary in order that different language may be substituted for that used in the principal Act to give effect to the new scheme. The scheme in this instance is: No General Officer Commanding—instead, an Inspector-General, a Council of Defence, and a Military Board; and, for Naval matters, the Council of Defence, a Naval Director, and a Naval Board. That is the scheme carried out by this Bill.

Senator PLAYFORD.—Undoubtedly, and when the Government in their scheme say that the Council of Defence shall consist of five members, is it not just as easy to put them in the Bill?

Senator Sir JOSIAH SYMON.—We provide for five members of the Council of Defence who may be referred to as permanent or official members, but there is no limit as regards the consultative members of the Council. The amendment which Senator Matheson desires to make in this Bill is the substitution of his own scheme, which differs altogether from ours. The honorable senator proposes to start with the insertion of the five permanent members of that Council, but does he propose to insert the names of the consultative members as well?

Senator MATHESON. — The honorable senator can move in that direction.

Senator Sir JOSIAH SYMON.—I do not propose to do anything of the kind.

Senator MATHESON.—It is competent for the honorable senator to move such an amendment.

Senator Sir JOSIAH SYMON.—That is so; but the responsibility will not be mine, and my honorable friend will be obliged to move that amendment if he succeeds in inducing the Committee to insert the names of the five permanent members of the Council.

Senator MATHESON.—We shall come to that directly.

Senator Sir JOSIAH SYMON.—My honorable friend is trying to delude the Committee.

Senator MATHESON.—As a point of order, I ask whether the honorable senator is in order in saying that I am trying to delude the Committee?

Senator Sir JOSIAH SYMON.—I shall not trouble the Chairman to give a ruling. I withdraw the delusion part of it, and I say that the effect of my honorable friend's amendment would be to mislead the Committee. The honorable senator will permit me to say that he is not genuine in seeking to put these names in as a part of the Government scheme. He desires to put them in as a part of his own scheme, and if he is supported the Committee will have mangled the Government scheme with-

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out having substituted the scheme suggested by the honorable senator.

Senator MATHESON.—How does the honorable senator know that?

Senator Sir JOSIAH SYMON.—That will be so, if the Committee does not carry the proposal to add the Prime Minister, a member of the Senate, and a member of the House of Representatives to the Council of Defence.

Senator PEARCE.—How will the Committee have mangled the Government's scheme?

Senator Sir JOSIAH SYMON.—Because the Committee will have put in the five names of the permanent members of the Council, and will not have put in the names of the consultative members.

Senator PEARCE.—Could not the honorable senator move that their names should be put in?

Senator Sir JOSIAH SYMON.—No, because I am opposed to any names being put in. The responsibility for putting in the names of the consultative members would not be mine. Do not honorable senators see the illogical position in which they are invited to place themselves? My honorable friend says in effect, "We shall not trust the Government to carry out the policy which they have asked Parliament to approve, in regard to the *personnel* of the Council of Defence, but we are prepared to trust them as to the powers and functions of the members of the Council of Defence, which are to be prescribed by regulations." I should have thought that it would have been considered of far more importance that we should put in the Bill the powers and functions of the Council of Defence, rather than that we should insert in the Bill merely the *personnel*. But my honorable friend does not propose that. By the clause we propose that the Governor-General may constitute a Council of Defence, which shall have "such powers and functions as are prescribed." Senator Matheson proposes to trust the Government, on their responsibility, to confer upon the Council of Defence whatever powers and functions they please, but the honorable senator will not trust them as to the *personnel*. The honorable senator would also deprive them of the right to call in consultative members when that might be thought necessary.

Senator MATHESON.—Pardon me.

Senator Sir JOSIAH SYMON.—I pardon my honorable friend, of course, but his offence still remains.

Senator MATHESON.—The honorable senator's statement is without any justification.

Senator Sir JOSIAH SYMON.—We have my honorable friend's amendment before us in print, and he eliminates the consultative members of the Council of Defence.

Senator MATHESON.—Where do I say that?

Senator Sir JOSIAH SYMON.—Of what use is it for my honorable friend to take up that attitude? We have the honorable senator's proposal extant in beautiful English.

Senator MATHESON.—I have never touched on the question.

Senator Sir JOSIAH SYMON.—My honorable friend substitutes for the Council of Defence these five names, plus the Prime Minister, a member to be elected by the Senate, and a member to be elected by the House of Representatives, and eliminating the consultative members.

Senator MATHESON.—I propose to move the addition of those gentlemen to the permanent members of the Council, and not that they shall take the place of the consultative members.

Senator Sir JOSIAH SYMON.—Does my honorable friend say that he did not intend to eliminate the consultative members?

Senator MATHESON.—I shall deal with that later on. I have never said anything about that. I make no statement in advance.

Senator BEST.—The honorable senator is prevaricating with the Court.

Senator Sir JOSIAH SYMON.—I do not wish to say that. We are aware of the devoted attention which a hen with one chick pays to that one chick, and my honorable friend must be confined to what he has proposed. What the honorable senator has proposed is a scheme which eliminates the consultative members of the Council of Defence, and substitutes the Prime Minister, a member of the Senate, and a member of the House of Representatives. I am sure that my honorable friend will not feel justified in putting his proposal before the Committee in any other way. Of course, if the Committee desired to put the whole of our scheme into a schedule to the Bill, that could be

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done. It is before us in print, it has been declared in Parliament, and as Senator Matheson admits, it has been ratified in principle by both Houses. It is perfectly competent for the Committee to put the scheme which has been approved into a schedule to this Bill, but would it not be absurd to do so?

Senator Lt.-Col. GOULD.—Hear, hear.

Senator Sir JOSIAH SYMON.—Then why put in the *personnel* of the Council of Defence?

Senator Lt.-Col. GOULD.—For very good reasons.

Senator Sir JOSIAH SYMON.—My honorable and learned friend has not given one yet, though I suppose he has some to advance. If we put in the *personnel* of the Council of Defence, why should we stop there? Why should we not also put in the powers and functions of the Council? Why trust the Government with the powers and functions to be conferred upon the Council of Defence?

Senator PLAYFORD.—That is more important.

Senator Sir JOSIAH SYMON.—It is infinitely more important. The responsible Government, which in the six months before the Senate meets again is to do all this mischief, is to be trusted to govern the Army and Navy of Australia, and to confer whatever powers and functions it pleases upon the Council of Defence, but it is to be rigidly tied down to the names of the members of the Council which it is proposed shall be inserted in this Bill. The Imperial Government is trusted with far more responsibility.

Senator MATHESON.—There is no Defence Act in the United Kingdom. There is the Army Act.

Senator Sir JOSIAH SYMON.—What is the Army Act but a Defence Act?

Senator MATHESON.—It contains but four sections, empowering the Government to raise troops. I have it here.

Senator Sir JOSIAH SYMON.—My honorable friend has it beside him, but I have it all in my head. It provides for everything essential, so far as Army and Navy administration is concerned.

Senator MATHESON.—It contains three sections and a schedule.

Senator Sir JOSIAH SYMON.—Is not that sufficient? Honorable senators will see that the responsibility of the Minister of Defence is proportionately as great here as anywhere else; but in the United Kingdom, there is an Army intended to defend the Empire all over the world—speaking of those parts where it is necessary that the Possessions of the Empire should be defended, and where no defence is locally provided for. So also with the Navy, and yet in Great Britain this particular matter of defining the *personnel* of the Council of Defence is dealt with in the same way as we propose. For their Orders-in-Council, we substitute the Governor-General's regulations, which must be laid before Parliament, and the two things are identical. If we should not define the more important matter, and deal definitely in this Bill with the powers and functions of the Council of Defence—and the honorable senator does not propose to do so—we should not rigidly insert in this Bill the names of five of the members of the Council of Defence, when no mention is to be made of the consultative members who may be unlimited in number, and will be called in for their advice by the members of the Council.

Senator FRASER.—They might be very necessary at times.

Senator Sir JOSIAH SYMON.—There is no doubt they will.

Senator GIVENS.—Could we not add a short proviso to the effect that in addition to these members, consultative members might be called in?

Senator Sir JOSIAH SYMON.—Senator Matheson confines his proposal to five members of the Council, the Prime Minister, a member of the Senate, and a member of the House of Representatives, and if that proposal were accepted it would ruin this Bill.

Senator Lt.-Col. GOULD.—If we insert merely the words which are to be found in the printed statement of the Government scheme, what harm will there be in that?

Senator Sir JOSIAH SYMON.—I yield to Senator Gould on matters relating to military questions. I do not profess to have expert knowledge concerning them, but I am dealing with the matter from the point of view of having a scheme which is acceptable to Parliament, and which must be carried into effect at the earliest possible moment, otherwise we shall have a chaotic interregnum. If honorable senators trust Parliament and the Government, what is proposed is unnecessary, but if they say that they distrust the Government, and believe that it will go back upon the scheme which Parliament has approved, and we must, therefore, put in the names as Senator

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Matheson proposes, we should also put in all the powers and functions.

Senator Lt.-Col. GOULD.—The honorable and learned senator has already pointed out that that could not be done.

Senator Sir JOSIAH SYMON.—That is the more important part of the matter. Senator Matheson's proposal is not to trust the Government in one respect, but to leave to the Council of Defence the selection of the consultative members, the representatives of the Citizens Forces and expert officers.

Senator Lt.-Col. GOULD.—There is a good deal in having a good team, and knowing your horses.

Senator Sir JOSIAH SYMON. — But under Senator Matheson's proposal we cannot know the horses, because we can have no knowledge of the individuals.

Senator Lt.-Col. GOULD.—We shall know that certain members of the Council will be charged with certain duties.

Senator Sir JOSIAH SYMON.—Still, Senator Matheson is leaving it to the Government to choose the individuals, and that must affect the essence of the efficiency of the Council. If the proposal were to put in the names of individuals, there might be some justification for it, but the honorable senator does not propose that. He has referred to Major-General Hutton's objections, and if he opposed the scheme altogether on the ground that he agreed with Major-General Hutton's criticism, I could understand him. The honorable senator proposes that we should put in the titles of those members of the Council of Defence, whilst he does not propose that we should state in the Bill, what is of greater importance, their powers and functions, and he further leaves it to the Government to choose the men who are to fill these offices.

Senator DOBSON.—They might alter the whole Council.

Senator Sir JOSIAH SYMON.—They might with that power alter the whole Council, and substitute another set of men. The titles of the persons holding these offices are of no importance. I hope it will not be supposed that I undervalue the suggestions which have been made, but I trust that, as it is imperative that we should have this Bill passed at the earliest possible moment, in order that the scheme put forward by the Government and approved by Parliament shall be carried into effect, we shall not seek to have some unimportant portion of the scheme put rigidly into the Bill, which cannot be altered until another session of Parliament is held, and which might embarrass the Government and interfere with the working of the entire scheme.

Senator MATHESON (Western Australia).—The Attorney-General has endeavoured to make it appear that I suggest, or propose to suggest later on, two or three members to take the place of the consultative members. That is an entire delusion on his part.

Senator Sir JOSIAH SYMON.—No; I only say that my honorable friend has eliminated them from his proposed scheme.

Senator MATHESON.—I have given no indication of my intention regarding them up to the present moment. The Attorney-General accuses me of an intention to eliminate the consultative members, and, to use his own words, to substitute others.

Senator Sir JOSIAH SYMON.—I did not say "substitute others." I said that it eliminates the consultative members.

Senator MATHESON.—I wrote down the honorable senator's words at the moment. He may have forgotten what he said.

Senator Sir JOSIAH SYMON.—I have not forgotten what I said.

Senator MATHESON.—I think that *Hansard* will bear out my statement. I protested at the moment against the use of the words. I interjected that I did not propose to substitute others.

Senator Sir JOSIAH SYMON.—Does the honorable senator propose to put consultative members on the Council?

Senator MATHESON.—I propose to move the addition of certain other permanent members to the board, but not in substitution of the consultative members. The honorable senator is well aware that when I was dealing with the second reading of the Bill and the report, I carefully pointed out that the term "consultative members" in this connexion was an entire misnomer. I pointed out that the consultative members would have no specific rights and duties, and that it would be absolutely in the option of the permanent members of the Council to call in them or any other members of the public. I wish the Committee to understand that the consultative members are merely persons who will be given honorary titles without possessing any rights. They will have no right to appear before the Council unless they are summoned; and when they have been summoned they will have no right to vote. In fact,

they will be in exactly the same position as any member of the public whom the Council wishes to consult. I am perfectly prepared to add to my amendment, if carried, a short paragraph, which the Attorney-General might draft, entitling the Council to secure all expert and professional advice at all times when that is deemed necessary. But I do protest against the Government trying to delude the public in the way in which they are now attempting to do, by pretending that the consultative members have any status.

The CHAIRMAN.—Order! Did not the honorable senator object to the use of the word "delude" by the Attorney-General a little while ago?

Senator MATHESON.—I spoke of the Government attempting to delude the public.

Senator Sir JOSIAH SYMON.—I forgive my honorable friend.

Senator MATHESON.—If the Attorney-General has any objection to the use of the term I am quite willing to follow his very bright example and withdraw it unconditionally. If I had my way I should vastly enlarge the scope of the proposed Council, in the matter of calling for evidence, both expert and otherwise. I protest strongly against the limitation which is contained in Mr. McCay's memorandum. The Attorney-General complains that we have not put forward any proposal for putting in the Bill the regulations under which the boards are to act. I frankly admit that I have not, because it is absolutely impossible.

Senator Sir JOSIAH SYMON.—Does not my honorable friend think that they are very important?

Senator MATHESON.—They are most important.

Senator Sir JOSIAH SYMON.—More important than merely putting in the offices.

Senator MATHESON.—I shall not say that; but I shall retaliate on the honorable senator, and ask him why, when he is fully cognizant of the vast importance of these regulations, he has not given the Committee any opportunity to debate them.

Senator Sir JOSIAH SYMON.—The time has not yet arrived.

Senator MATHESON.—The Government propose to constitute the Council immediately the Bill is passed, and to issue the regulations. As it is desired that the session shall close before Christmas, when will the time arrive for discussing the regulations? Will it be after they have been in use for five or six months?

Senator Sir JOSIAH SYMON.—Why not? If my honorable friend thinks otherwise, he should try to defeat the Bill.

Senator MATHESON.—I approve of the Bill, except in minor details, and I should not dream of opposing it. In my second-reading speech, I pointed out that we should have no opportunity to discuss other matters. Where all things are equally important, the Bill, unfortunately, only admits of being amended in a few directions, and, being logical, I have moved in the first instance, that the very Council proposed by the Government should be defined in the Bill. At a later date, if the Attorney-General will agree to draft an amendment which will give larger consultative powers to the Council, I shall be perfectly prepared to move it.

Senator Lt.-Col. GOULD (New South Wales).—No attempt is being made to interfere with the principles which were affirmed by the Senate when the Bill was read a second time. It cannot be fairly urged that any one who is supporting the present amendment should have opposed the Bill at that stage. The Senate has determined that there shall be a Council of Defence, and the only question at issue now is whether its constitution shall be set out or the selection of the members left entirely to the Government. So far from showing distrust in the Government, the amendment shows confidence in their proposal to have these five officers on the Council of Defence.

Senator Sir JOSIAH SYMON.—Would not the honorable senator allow us to change the name of one of them to the "Quartermaster-General"?

Senator Lt.-Col. GOULD. — Possibly. Before asking each House to read this Bill a second time, the Government afforded its members an opportunity of knowing what its scheme was, and Senator Matheson seeks to embody it in this clause. We desire to lay down exactly how the Council of Defence is to be constituted, because the present Government may not last for ever. It is not fair to say that those who support the present amendment are bound to support any further proposal which may come from Senator Matheson. My only object is to define the constitution of the Council.

Senator Sir JOSIAH SYMON.—The amendment does not let my honorable friend know that.

Senator Lt.-Col. GOULD.—It lets us know the names of the offices which will

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be represented on the Council. We could no more put in the names of the officers than we could insert the names of the Minister of State for Defence, and the Treasurer, because the holders of the offices will change from time to time. We are not illogical in supporting this amendment. It will be perfectly competent if it be carried, to include representatives of the Citizen Forces, expert advisers, and consultative members. When the further amendment which has been indicated by Senator Matheson is moved, I may be found taking very grave exception to one or two of the proposals which he will then submit.

Senator Sir JOSIAH SYMON.—Senator Gould, whose remarks as to the latter portion of the complete proposal I value very much, has been good enough to admit that the only effect of the present amendment is to put in the Bill the titles of the officers. But it does not pledge the Government in any way. They may appoint any persons they please to the offices. The only thing we should be doing by making this amendment would be to insert, so to speak, the shell, and leave the kernel untouched. I know the strong interest which Senator Matheson takes in military questions, but I feel that this is merely making an amendment for the sake of amending. Not merely would the Government have uncontrolled power as to the persons who should hold the offices, but if they wished for any reason to change the titles of the offices they could. Suppose that there was not a Chief of Ordnance, why should they not substitute the Quartermaster-General?

Senator MATHESON.—We are dealing with that now.

Senator Sir JOSIAH SYMON.—And I am dealing with it. Is not the Chief of Ordnance mentioned in the honorable senator's amendment?

Senator MATHESON.—Not at the present moment.

Senator Sir JOSIAH SYMON.—The Chief of the General Staff is mentioned.

Senator MATHESON.—He is quite a separate man.

Senator Sir JOSIAH SYMON.—Suppose that there was no Chief of the Staff, or it was desired to call him Quartermaster-General. Why should we not be able to do so without passing a fresh Act of Parliament?

Senator Lt.-Col. NEILD.—Why should it be done?

Senator Sir JOSIAH SYMON.—What earthly good is to be done to the country by preventing it? By adopting this amendment, honorable senators will be passing a proposal which will be a mere form of words. I was astonished at the ingenuity which my honorable friend displayed in endeavouring to escape from the natural inference to be drawn from his own amendment, that he objected to having consultative members on the Council of Defence. He has made an ingenious attempt to escape from his condemnation of these consultative members.

Senator MATHESON.—I did not condemn them; I simply objected to the title.

Senator Sir JOSIAH SYMON.—I thought my honorable friend would have been perfectly satisfied to allow us to draw the natural inference from this amendment of his, which was complete in itself, that it would exclude the consultative members. When I refer to his speech on the second reading, I find that he not merely ridiculed the idea of having consultative members on the Council of Defence, but he denounced them in the most unmeasured terms.

Senator MATHESON.—As such, under that title.

Senator Sir JOSIAH SYMON.—I will read what he said—

I have already pointed out the ridiculous nature of the provision for consultative members of the Council of Defence. What I said there applies with equal force to the inclusion of representatives of the Citizen Force as consultative members of the Military and Naval Boards.

A wholesale condemnation!

Senator MATHESON.—Read on further.

Senator Sir JOSIAH SYMON.—I am going to read every word of it—

The titles, if they are conferred, will be simply figures of speech, because it is perfectly obvious that if it is necessary to consult any people, they will be called in, whether they are called consultative members or not.

Then, in reply to an interjection by Senator de Largie, Senator Matheson went on to say—

The honorable senator is mistaken. This is not an Advisory Board, but a certain number of citizen colonels are to be given the title of consultative members. They are to be told, "You are consultative members, and if we want to consult you we shall send for you." It is a mere farce to insert that provision in any scheme, because if the Board wished to consult any persons, they would send for them.

That is how he speaks of the officers of the Citizen Force.

Senator MATHESON.—No; of this particular title.

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Senator Sir JOSIAH SYMON. — The honorable senator further said—

This sop is put in to gain the support of a certain number of citizen colonels and majors in order to disarm criticism.

Senator MATHESON.—Hear, hear.

Senator Sir JOSIAH SYMON.—Then my honorable friend goes on to say that he is prepared to move that there be consultative members on the Council.

Senator MATHESON.—No; that the Council shall have fuller power to call for advice from other people.

Senator Sir JOSIAH SYMON.—That is a modification of my honorable friend's strong condemnation of the proposal that consultative members might be called in.

Senator STEWART (Queensland). — Apparently, honorable members do not grasp the full importance of the matter we are now discussing. I am in favour of Senator Matheson's amendment, or at least of the further amendment which he proposes to move. The Attorney-General complains that Senator Matheson, having voted for the second reading of the Bill, is, on that account, bound to support the policy of the Government. But I do not think that that follows. He is endeavouring to improve upon the policy of the Government in detail. The Council of Defence, according to the proposal of the Government, will consist of the Minister of State for Defence, the Treasurer, the Inspector-General, the Naval Director, and the Chief of the General Staff. I should like to know, before going further, whether the representatives of the Citizen Forces, and the expert advisers who are termed consultative members, are to have a standing on the Council of Defence, apart from the fact of their being summoned by what may be termed the permanent members of the Council? What is intended to be their exact position? Are they merely to be sent for when their presence is desired by the other members of the Council, or are they to be members with the same powers as the others?

Senator MATHESON.—They have no powers under this scheme.

Senator STEWART.—Has the Attorney-General said so? Are these representatives of the Citizen Forces to be real members of the Council of Defence?

Senator Sir JOSIAH SYMON.—For consultative purposes, when called in to advise.

Senator STEWART.—They are to be members when invited, but they are not to be real members.

Senator Sir JOSIAH SYMON.—They are not to be permanent.

Senator STEWART.—They cannot vote upon any question of policy? They cannot submit a policy to the Council? If that is the case, it is altogether wrong to label them as members of the Council of Defence. Senator Matheson wishes to improve the proposal of the Government. He wishes to add the Prime Minister, and two members to be elected by the Senate and the House of Representatives respectively. The objection of the Attorney-General to put the designations of the members of the Council into the Bill seems to be that it might be desirable on some future occasion to change them. If that were found to be necessary, he urges that a new Act of Parliament would have to be passed. That seems to me to be a very flimsy objection. Our desire is to get the best possible Council of Defence. The addition of the Prime Minister, and a member from each House of the Parliament, would very largely increase the usefulness of the Council, and would on that account improve it. Members of Parliament, though not military experts, have no doubt their own ideas on the subject of defence. The ultimate responsibility for the defence of the country lies with Parliament, although the question may be handed over to a Council. If the arrangements for defence are inadequate, the people will blame their representatives in Parliament. Therefore, it is extremely desirable that Parliament should be directly represented. Such being the case, I shall certainly support the amendment. The statement in the memorandum issued by the Minister of Defence appears to me to be misleading. At any rate, it has misled me, because I was under the impression that the intention was to nominate certain members of the Citizen Forces, and certain experts as members of the Council. If that is not the intention, the Council will have the power to consult any one and every one in connexion with the defence of the country. Indeed, there appear to be only too good reason for Senator Matheson's statement with reference to citizen colonels and majors. If representatives of the Citizen Forces and expert advisers are not to be members of the Council, what is meant by consultative members of the Council? It means members who may be consulted. A member of the Council of Defence, on the other hand, appears to be an individual who will have a voice in framing the

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defence policy. According to the Attorney-General, the consultative members will have no voice in framing the policy, but will be sent for when their advice, or infomation is required. In short, the consultative members will be neither more nor less than witnesses or experts, and they have been termed consultative precisely from some such motive as that which Senator Matheson has indicated. We ought to be quite clear on a matter of this importance. It may not have been the intention of the Government to mislead, but I certainly have been misled by this document. Why are volunteer officers bracketted here, unless it was intended that they should be members of the Council. This seems to me a continuation of the jumbled condition in which defence matters have been ever since the inauguration of the Commonwealth. Whatever the Government intend should be made clear, so that neither Parliament nor the country shall have the slightest difficulty in understanding the proposals.

Question—That the words proposed to be inserted be inserted—put. The Committee divided.

Ayes	...	...	... 12
Noes	...	...	... 16
Majority		...	... 4

AYES.

Croft, J. W.	McGregor, G.
Givens, T.	Stewart, J. C.
Gould, A. J.	Story, W. H.
Guthrie, R. S.	Turley, H.
Henderson, G.	
Higgs, W. G.	*Teller.*
Matheson, A. P.	De Largie, H.

NOES.

Baker, Sir R. C.	Smith, M. S. C.
Best, R. W.	Styles, J.
Dobson, H.	Symon, Sir J. H.
Drake, J. G.	Trenwith, W. A.
Fraser, S.	Walker, J. T.
Gray, J. P.	Zeal, Sir W. A.
Mulcahy, E.	
Playford, T.	*Teller.*
Pulsford, E.	Clemons, J. S.

PAIRS.

Pearce, G. F.	Keating, J. H.
O'Keefe, D. J.	Millen, E. D.

Question so resolved in the negative.

Amendment negatived.

Clause agreed to.

Clause 8 verbally amended, and agreed to.

Clauses 9 to 12 agreed to.

Bill reported with amendments.

Motion (by Senator Sir JOSIAH SYMON) agreed to—

That the Standing Orders be suspended to enable the Defence Bill 1904 to be passed through its remaining stages without delay.

Report adopted.

Bill read a third time.

PAPUA (BRITISH NEW GUINEA) BILL.

In Committee (Consideration resumed from 2nd December, *vide* page 7803):

Postponed clause 20 (Power to grant land).

Senator DOBSON (Tasmania).—The Attorney-General, when this clause was last in Committee, offered some criticism to the effect that it was hardly elastic enough. I asked the question whether it had been found by practical experience that a system entirely leasehold is sufficient to attract colonists from other parts of the world. It appears to me, from the trend of thought in New Zealand, that dissatisfaction is expressed with the leasehold system there; and I am very doubtful myself whether, if freeholds are not obtainable in New Guinea, colonists will be attracted from Canada, England, and other parts of the world in the numbers we desire. It would, I think, be a good thing to offer some of the land to capitalists in England, who are desirous to promote the cotton-growing industry in British New Guinea.

Senator PEARCE.—Will cotton not grow on leasehold land?

Senator DOBSON.—Yes, but a leasehold system may stand in the way of the flotation of companies and the investment of capital. While we make leasehold the basis of the system, we should not tie the hands of the Government so as to prevent them, under any circumstances, from making a departure. I was under the impression that the Attorney-General proposed to make the clause elastic.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I merely expressed a personal doubt as to whether or not a provision of this character would encourage or discourage settlement. I did not intimate any intention to deal with or modify the clause in any way.

Senator GRAY.—Will the Executive Council have absolute power to fix the terms of the leases?

Senator Sir JOSIAH SYMON.—The terms are to be fixed by ordinance; that is, by an Act of the Legislative Council.

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Senator McGregor.—The same sort of instrument which admitted the Chinese into South Africa.

Senator Sir JOSIAH SYMON.—With the difference that the Acts of the Legislative Council of New Guinea will be under the control of the Governor-General.

Senator CLEMONS (Tasmania).—I do not approve of the clause, but as there does not seem to be the faintest hope of making any alteration, I shall not take up time by attempting to carry any amendment.

Clause agreed to.

Postponed clause 21—

No intoxicants or opium shall be allowed to be imported into, or manufactured, or sold, or otherwise disposed of, in the Territory, except as hereinafter mentioned—

No intoxicants or opium shall be imported into or manufactured in the Territory, except by written permission of a person duly authorized by the Lieutenant-Governor, and under regulations and conditions to be prescribed. . . .

Senator PEARCE (Western Australia).—I move—

That the words "No intoxicants or opium shall be allowed to be imported into, or manufactured, or sold, or otherwise disposed of, in the Territory, except as hereinafter mentioned," be left out, with a view to insert in lieu thereof the following words :—

"A poll of the adult white inhabitants of the Territory shall, within twelve months from the passing of this Act be taken in accordance with regulations to be made by the Lieutenant-Governor to ascertain whether or not intoxicants may be imported into, manufactured in, and sold in the Territory for commercial purposes generally.

Such regulations may prescribe the mode in which the poll shall be taken and the form in which the ballot-papers shall be framed, and may define the powers and duties of the officer and his deputies conducting such poll, and may provide generally for all matters whatsoever relating to the taking of the poll.

No vote shall be disallowed by the officer appointed to conduct such poll for informality so long as the intention of the voter is expressed actually or by reasonable intendment. Provided that at any election one-third of the white inhabitants shall record their votes in order to constitute a poll. Before the taking of such poll a notice shall be inserted in the official *Gazette* by the Lieutenant-Governor, stating as correctly as possible the number of the adult white inhabitants of the Territory, and such number shall be taken as the number of the adult white inhabitants of the Territory for the purposes of the poll.

Intoxicants for the purposes of this section shall mean any wine, spirits, ale, beer, porter, cider, perry, or other spirituous or fermented liquor of an intoxicating nature."

I propose afterwards to move the following as a separate clause—

If the determination of the adult white inhabitants of the Territory at the poll taken, as aforesaid, be that intoxicants may be imported into, manufactured, and sold in the Territory for commercial purposes generally, then intoxicants may be purchased, imported into, manufactured, and sold in the Territory only by the Lieutenant-Governor, or by officers duly appointed in that behalf, and under regulations and conditions to be prescribed by the Lieutenant-Governor relating to the purchase, importation, manufacture, and sale thereof.

That is to say that I first of all wish to ascertain by a poll of the white inhabitants of the Territory, whether they wish liquor to be imported into, manufactured, or sold in the Territory; and if they do, I propose that it shall be imported, manufactured, and sold by the Lieutenant-Governer, and that State control shall be substituted for the present system of private licences. I intend that these provisions shall take the place of the provision now in the Bill, providing for absolute prohibition, with the exception that liquor may be given on order for medicinal purposes only. In the event of the poll being against the importation and sale of liquor in the Territory, there will still be total prohibition as provided in the Bill. As regards the existing system, first of all I wish to direct the attention of the Committee to the fact that we have very little vested interest with which to deal in this particular case. At the present time, there are very few licensed places, and very few hotels, in British New Guinea.

Senator Dobson.—There are seven hotels and thirteen licensed stores.

Senator PEARCE.—That is so. I have photographs of the hotels, from which it will be seen that they are very flimsy erections—mere weather-board shells. Furthermore, the greater number of them are built on leased land, which is the property of the Government, and the leases of which have but a few years to run. I am informed that the largest of the hotels in British New Guinea is built upon land the lease of which has but a very few years to run, and when it expires, the land and buildings will become the absolute property of the Government. I direct attention also to the ordinance which is to be found at page 99 of the British New Guinea Ordinances, and to the report by the Treasurer, Mr. Ballantine, to be found on page 13 of the Parliamentary Paper, No. 47, in which he

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refers to the fact that these licences were issued originally as quart-bottle licences only.

Senator DOBSON. — The ordinance in force at the present time provides for that.

Senator PEARCE.—That is so; but it is not observed. Mr. Ballantine, who has had fourteen years' experience in New Guinea, states—

The "Liquor Ordinance of 1891" only admits of not less quantity than quart bottles of liquor being sold on licensed premises, but it was found impossible to adhere to this, and a "bar traffic" has been tacitly allowed for years. I am of the opinion that section 4 of the Act should be modified to allow liquor to be retailed in hotels and in stores on a gold-field.

That is to say that these licensees have for years transgressed the law under which they have been licensed to sell liquor. The clause I now move deals with the question of local option as against prohibition, whilst the question of State control will be dealt with in the later clause. I wish honorable senators to bear in mind that if the local option poll is carried in favour of the general distribution of liquor, State control of the traffic would be provided for by the clause which I propose shall follow. With respect to prohibition, I wish to say, as a life-long teetotaller, that if I were given the privilege—and I hope to see the day when I shall be given that privilege — of casting a vote for or against prohibition, I should vote for prohibition in Australia. That is to say, that if I could take part in a referendum on the question in Australia, I should vote for prohibition.

Senator PLAYFORD.—After seeing its effect in America?

Senator PEARCE.—Yes, because I believe that prohibition, if it could be enforced, is the best system. I practise it myself, and I find that I have derived no evil effects from it.

Senator O'KEEFE.—The honorable senator has lost a lot of fun.

Senator PEARCE.—That may be so, but I have seen a lot of fun which I should not have seen if I had not followed the teetotal principle. In this case we are not legislating for Australia. We are not proposing to impose this disability on ourselves or upon the electors who have returned us to this Parliament, and that seems to me to make a wonderful difference in dealing with the question. If we had the power to impose prohibition on Australia, I should be prepared to give a different vote on this question, because I should then be dealing with electors who could hold me responsible for that vote. I should be dealing with electors who would have the power to reject me if I acted in a way contrary to their opinions. The spirit of democracy is that we should consult the people for whom we are legislating, and should give them the right to say whether the laws which they are to observe shall be laws made with their consent.

Senator GRAY.—The native inhabitants of New Guinea should not object to prohibition, because they do not know what liquor is.

Senator PEARCE.—The white population of the Territory say that they want it, and they are almost unanimously against prohibition. It will be found, from the parliamentary paper to which I have referred, that almost every letter and reply to queries on the subject of prohibition, including those from missionaries, who are well known to have no leaning to the liquor trade, are against prohibition. In this case, we are proposing to impose a law on people who, as they have never been consulted on the subject, have never given us authority to pass that law, and we are not proposing to impose it upon the electors to whom we are responsible. The overwhelming opinion is that liquor should be prohibited to the native inhabitants, and later clauses in the Bill make it a heinous crime to supply liquor to them. With that we are all agreed. But we have to deal with the white inhabitants of a tropical Territory, where it is admitted that, for medicinal purposes, intoxicating liquors are necessary. I say that we should first consult the white inhabitants of the Territory as to whether, in their opinion, there should be absolute prohibition of the liquor traffic. In the parliamentary paper to which I have referred, a number of replies on the question by civil servants, missionaries, miners, and traders are given, and it will be found that the consensus of opinion is that in that Territory liquor is absolutely necessary for medicinal purposes. I do not think there is a single dissentient voice on that point.

Senator BEST.—The Bill permits the use of liquor for medicinal purposes.

Senator PEARCE.—I point out to the honorable and learned senator that the Bill permits its use for medicinal purposes only on certain conditions. It must be imported by written permission of a person duly authorized by the Lieutenant-Governor, and under regulations and conditions to be

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prescribed by him, including a condition that its importation or manufacture shall be for medicinal purposes only, and that no intoxicants shall be sold or otherwise disposed of in the Territory except for medicinal purposes, and then only on the order of a medical practitioner, or some person duly authorized by the Lieutenant-Governor.

Senator GIVENS.—There might not be a medical practitioner within 500 miles of a man requiring liquor.

Senator PEARCE.—There might not be one within 300 miles, at any rate. I have been informed by a former resident of the Territory that there are three medical officers in British New Guinea, and that they reside some hundreds of miles away from some of the centres of population.

Senator STANIFORTH SMITH.—It is not to be confined to medical officers only.

Senator PEARCE.—No; it may be given by persons appointed by the Lieutenant-Governor.

Senator STANIFORTH SMITH. — There might be as many of them as there are hotels as the present time.

Senator PEARCE.—It is intended either that the provision shall be effective, or that it shall not. If it is intended that it shall be effective, I would ask whether a person appointed by the Lieutenant-Governor, who will be the warden of a gold-field, a Customs officer, or some official of that kind, will be in a position to say when it is necessary to give liquor for medicinal purposes? How is such a person to know that "John Jones," a digger, should have liquor, and if he should, how much or how often he should have it? If any person in the Territory is to get liquor at any time he thinks he needs it, or says he needs it, for medicinal purposes, the provision will simply mean the substitution for the present licence system of a system of free-trade in drink, at the good-will of the officer in charge of a camp.

Senator STANIFORTH SMITH.—That is exactly what would be provided for by the system of State control which is advocated.

Senator PEARCE. — Suppose that a miner who likes to have a glass of whisky says, "In order to maintain good health, it is absolutely necessary that I should have a glass of whisky every day." Is the officer to say "No; in my opinion you do not need the liquor," or is he to say, "I think that a glass of whisky every other day would suit your case"? Is it not manifest that one of the two individuals will have to be the judge?

Senator BEST.—Suppose that, as the result of the local option vote, it was decided to prohibit the sale of liquor, the honorable senator's argument would come to naught.

Senator PEARCE.—My argument would apply against prohibition in that case just as much as it does now. From these documents I feel pretty certain that the people of the Territory will not vote for prohibition.

Senator BEST.—Then the local option provisions should not be in their present form.

Senator PEARCE.—I think they should. I am prepared to give the people the right to say whether they want liquor or not, but if they say that they do, its sale should be subject to State control. This amendment is not moved in a spirit of hostility to the principle of prohibition. When it comes to the question of legislating for the Federal Capital, I am prepared to vote for prohibition, both at a poll of the inhabitants and in my place in Parliament. In this temperate climate, where doctors are almost as plentiful as gooseberries, where medicine is cheap, and splendid hospitals are to be found, honorable senators will not try prohibition upon themselves, but they are willing to apply the principle to the residents in a tropical climate, where malarial fever is abundant. The missionaries belonging to almost all the denominations—and many of them with a long experience in the Territory—say that prohibition there is impossible. One man goes so far as to say that the presence of the Australian Squadron would be needed to prevent smuggling, and I can quite believe that it would. Look at the area of the Territory, with its long coast-line, which would have to be protected. In German New Guinea liquor is allowed to enter duty free. There are navigable rivers running partly through German territory and partly through British territory, and close to the gold-fields, too. It would be a very easy thing to run cargoes of grog down the rivers. An army of Customs officers would be needed to prevent constant smuggling from being carried on across the border.

Senator GRAY.—Why is it not done now?

Senator PEARCE.—I do not know that it is done. Possibly there is not the inducement to smuggle now that there would be if prohibition were adopted. We ought to give considerable weight to the evidence of the missionaries. I believe that every section of the Church is now opposed to the

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liquor traffic. The missionaries have observed its effects upon the natives in other lands, and if they anticipated any danger existed in Papua from an improper regulation of the traffic, they would be the first to advocate entire prohibition. Almost every missionary is of opinion that prohibition is not asked for, that it is not the best system to adopt, and that if adopted it could not be enforced. If my proposal be adopted the sale of the liquor by Government officers only would overcome the difficulty in regard to the natives.

Senator GUTHRIE.—It would be smuggled down the German rivers.

Senator PEARCE.—I do not know that there would be any inducement to go to that trouble. When a supply could be obtained at a Government store, why should the residents go to the expense of smuggling.

Senator GUTHRIE.—Because it could be obtained at a cheaper price.

Senator PEARCE.—The cost of transport would have to be added to the price of the article. I think that rather than break the law, the residents would buy the liquor from the State store. It is pointed out by some of the witnesses, that at the present time the natives look upon the white man as the embodiment of the law, and that the major part of the white population is orderly and law-abiding. The native regards imprisonment from a very serious stand-point. The witnesses say that the white man on the island is impressed with the necessity of keeping up that observance of the law, and increasing the natives' respect for the law. Introduce prohibition against the wish of the white settlers, and you give them an inducement to break the law. If public opinion looks upon a breach of the law as rather praiseworthy than otherwise, what will become of the natives' veneration for the law? The white man, when supported by public opinion, will be looked upon rather as a hero, or a jolly good fellow, when he breaks the law, and the respect for the law which now permeates the white population and re-acts upon the native population, will vanish.

Senator DOBSON.—Quite right; but what about the drunken orgies which now go on?

Senator PEARCE.—That statement is made by only the Bishop of the Church of England Mission, who says—

The laws dealing with the sale of alcoholic liquor generally has been observed, so far as the authority and influence of the Government officers have extended, but there are stores on the gold-fields, and at least one township, where at times no officer is present, and then excessive drinking has been resorted to. . . It has led to unchecked orgies, which have disgraced and lowered the white race in the eyes of the native.

Senator DOBSON.—He refers to scores of miners.

Senator PEARCE.—If my proposal were carried, in that place no liquor could be obtained, because there is no Government official stationed there. What would happen in these little outposts, where disgraceful orgies have taken place? The diggers would have to go to the nearest settlement, where there was a Government official, who I take it would issue an instruction that only a certain quantity of liquor should be supplied to each person. It would not be sold without check or limitation. The orgies to which Senator Dobson has referred took place under what was practically a system of free-trade in liquor, because the licences were issued in a very promiscuous manner. When the officer was asked the question, he had to guess from memory how many had been issued. The very Bishop who deplored these disgraceful proceedings is an advocate of State control. What does he advocate as a remedy for the evil but the system I am prepared to adopt in the amendment? He recognises that the present system is faulty, but he does not propose prohibition as the remedy. He is opposed to prohibition. At page 12 of this paper he says—

The Government officers would have to be very largely increased in number, their salaries (which are now small) would have to be largely augmented, every part of the 1,700 miles of British littoral, not to mention the numerous islands adjacent, would have to be constantly patrolled, and even then smuggling would be carried on successfully, and other articles, such as trade tobacco, the practical currency of the country, would also try and evade the Customs, whereas now the duty on them is collected with practically no difficulty.

I think I have said sufficient to show that a change from the existing system is necessary, but certainly it should not be in the direction of prohibition, unless local public opinion be at its back. Would it be wise to have prohibition in Australia before a majority of the people were in favour of its adoption? Of course it would not.

Senator BEST.—The case is not analogous.

Senator PEARCE.—It is. What has happened in the prohibition States in America? There has been a majority—in

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some cases a very narrow one—in favour of prohibition, and even with public opinion in its favour the authorities have experienced very great difficulty in checking the sale of liquor. If that result has occurred in a very closely settled country, with a big staff of Government officers, how can we expect prohibition to be a success in a Territory adjoining a country which allows free-trade in liquor?

Senator Sir JOSIAH SYMON.—It would be a fine thing for the Germans and the Dutch; they would drive a large trade in illicit liquor.

Senator PEARCE.—The Attorney-General, in introducing the Bill, and Senator Smith, in supporting it, stated that we are making our first experiment in colonizing. This is our first law to deal with a Territory outside our own borders. What will be the opinion of the people of New Guinea if we press upon them a law to which they are entirely hostile? Far more, what will be the opinion of the natives concerning this Parliament if we pass a law which will be brought into disrepute by being evaded by the white people? If that is to be the effect of our first legislation for a Dependency, we shall certainly fail to come up to the standard that those honorable senators said we should set before us. We should not, in this Bill, go against the wishes of the people, but should ascertain what their wishes are, and with proper safeguards, give them what they desire.

Senator STANIFORTH SMITH (Western Australia).—In dealing with this question, I think we can say that every honorable senator is actuated by one desire, and that is, to keep liquor away from the native races of British New Guinea. Those honorable senators who oppose prohibition, and those who support it, are equally entitled to credit for an honest desire to do what is best in the interest of the natives. Senator Pearce, who is undoubtedly actuated by that desire, states that he has been a lifelong teetotaller, and I am sure no one is more desirous of promoting temperance in the community than he is. But he seems to me to have advanced a most extraordinary proposition, and one which on analysis is seen to be altogether untenable. It is a negation of the whole policy of government in British New Guinea, and an absolute negation of the system which we are laying down. We recognise under the system which we are introducing that the white people of British New Guinea have no right to govern the whole country. Responsible government or representative government is not conceded to them. The most that has been suggested is that one or two representatives should be chosen for the purpose of giving advice. Senator Pearce seems to have forgotten that. He seems to think that in British New Guinea the people have the right to make their own laws, and that there should be no exception in respect to liquor. Now, there are only about 500 white people in British New Guinea, and there are about 400,000 Papuans. If there is one subject more than another which intimately affects the coloured races it is this question of liquor. Yet Senator Pearce proposes that that one question shall be taken away from Federal control, and from the local Legislature, and be delegated to the white population, to whom we do not concede rights of self-government. That, I say again, is an absolute negation of the whole system and policy of government that we are laying down. I have always held that if we do not impose prohibition the next best thing is State control, and that control should be directly imposed by the Federal authority. Senator Pearce urges that we should take a poll of the white people of British New Guinea, but in the very next breath he says that there is absolutely no doubt that the white people are opposed to prohibition. If that be so, what is the good of having a poll? Will it not be a mere waste of money?

Senator PEARCE.—That is only my opinion; I may be wrong.

Senator STANIFORTH SMITH.—If the whole of the white people are opposed to prohibition, why hold a poll? Why not say straight away, "We will have State control, without the expense of a useless referendum." Senator Pearce has fallen into two mistakes—one as to the proposal that the handful of whites in British New Guinea shall be allowed to legislate as they like with regard to a matter which is of the utmost importance to the coloured races; and secondly that the result of that poll is already known, because the white people are opposed to any system of prohibition. I quite admit that the whole of the missionaries in British New Guinea are opposed to the prohibition of the liquor traffic.

Senator GRAY.—Not the whole of them.

Senator STANIFORTH SMITH.—I never heard of one who was not. We cannot doubt the purity of their motives. These missionaries practically sacrifice their lives

and their health by living in that climate for the purpose of benefiting and up-lifting the native races. Having made that great sacrifice, they are not likely to advocate what in their opinion is injurious to the welfare of the natives.

Senator FRASER.—We know very well that liquor is very injurious to them.

Senator STANIFORTH SMITH.—It is a question whether the means we propose are likely to be efficacious. I will go further, and say that from the information we have received, the whole of the official class in British New Guinea are opposed to prohibition. The colonists whom I met there are also opposed to it. But I would point this out: That those people seem to be seized with the idea that we were going to say that no liquor whatever shall be allowed to be dispensed except medicinally, and by the orders of one of the two medical practitioners in British New Guinea. The resolution passed by the public meeting held at Samarai on the 7th September, 1903, with Bishop Stone Wigg in the chair, reads as follows—

> While fully realizing the grave dangers, both to the white settlers and to the native population, arising from the unrestricted sale of intoxicating liquors, we regard the proposed prohibition of all intoxicants in Papua, except under the order of a medical practitioner, as a danger to the health of the people, and an interference with reasonable liberty.

In that respect, the persons who attended the meeting were absolutely misled as to the intentions of the Federal Parliament. Now I come to a later date. The paper which has been placed in our hands contains a statement by Bishop Stone Wigg, written only a short time ago, in which he says—

> Alcohol is used by all experienced missionaries and their trained nurses as a medicine. It is essential, and has had a most beneficial effect; one of our most promising native evangelists was rescued from death by the administration of brandy every few minutes at a very critical stage of illness. There is no medical man in the north-east coast where our mission works.

There, the Bishop is labouring under the delusion that we are going to restrict the supplying of liquor to medical practitioners. The objections raised rest upon the absence of facilities to obtain medical assistance in some parts of British New Guinea. It will, therefore, be seen that the New Guinea residents have misconceived the whole intention of the Federal Parliament and the Federal Government. Bishop Stone Wigg favours State control. I think it will be rather alarming to some of our orthodox senators to observe that the Church is associated with socialistic doctrines to the extent that the leader of the Church of England in British New Guinea is absolutely in favour of State control. Indeed, the clause contained in this Bill means State control. It imposes this limitation: That the State cannot sell liquor to a man when he only requires it as a luxury. The people who will sell liquor under this Bill will be Government officials, and the money received will be paid into the State coffers.

Senator PEARCE.—Where does the honorable senator find the proposal that Government officials will sell liquor?

Senator STANIFORTH SMITH.—Liquor is to be sold by persons appointed by the Government.

Senator PEARCE.—Not officials.

Senator Sir JOSIAH SYMON.—It means that any duly authorized person may sell; it may be a storekeeper.

Senator STANIFORTH SMITH.—The persons appointed will sell liquor on behalf of the Government.

Senator GIVENS.—Not at all.

Senator PEARCE.—They will sell liquor on their own behalf.

Senator STANIFORTH SMITH.—Certain officials, such as resident magistrates or wardens, will be appointed to sell liquor for medicinal purposes, and the profits will go into the public exchequer, and not into private pockets.

Senator Sir JOSIAH SYMON.—Who says that?

Senator STANIFORTH SMITH.—Common sense says so. It would be obviously absurd to give a private person authority to sell liquor medicinally. Such a course would be to flout the Federal Parliament—to adopt an unjustifiable course.

Senator Sir JOSIAH SYMON.—Not so long as liquor was sold for medicinal purposes only.

Senator STANIFORTH SMITH.—It would be absurd, for instance, to give twenty storekeepers authority to sell liquor for medicinal purposes. Where private gain is permitted sales will be encouraged.

Senator BEST.—It would be quite competent, under the Bill, for the Lieutenant-Governor to confine the importation of liquor to one of his own officials.

Senator STANIFORTH SMITH.—That is so. It is admitted that the rights of the Papuans in their native land have to be respected equally with the rights of the white population—we are as solicitous for the welfare of the coloured people as for

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the welfare of the white people. Both races are equal before the law; the punishment for offences is the same for each.

Senator GIVENS.—Have the white people always been as kind as that to the aborigines in Western Australia? The honorable senator is enunciating a very nice theory.

Senator STANIFORTH SMITH.—I do not believe there is an honorable senator who would maintain that the rights of the Papuans are not equal to those of the white men, or that we should adopt any policy which would be injurious to the former. What should we do in regard to the prohibition of liquor if there was not a white person in the Territory? If our duty were merely to patrol the coast we should see that liquor was not permitted to enter to the detriment of the natives.

Senator FRASER.—There was no liquor before the white man went there.

Senator PEARCE.—The Bill prevents the supply of liquor to the coloured men.

Senator STANIFORTH SMITH.—If the rights of the two races be equal, then I say there are 400,000 reasons why drink should not be permitted, as against 500 reasons why it should. We ought to remember that we are legislating not only for the white population, but for the whole of the inhabitants of British New Guinea.

Senator PEARCE.—The missionaries say that the natives have no taste for liquor.

Senator STANIFORTH SMITH.—We do not desire to subordinate the lives and interests of 400,000 natives to any desire to supply a luxury to 500 whites; and liquor is a luxury when it is not required for medicinal purposes.

Senator MATHESON.—According to that reasoning the honorable senator's ordinary food is a luxury!

Senator STANIFORTH SMITH.—Food is required medicinally; if a person is starving he requires food to restore his health. The highest authority we have on this subject is Sir William MacGregor, who is an M.D., with twenty-five years' experience of the tropics. Sir William MacGregor has discovered many remedies for tropical diseases, such as the "black water"; and his opinion as to the value of stimulants in such regions is worth consideration. In his annual report for 1889, Sir William MacGregor says—

> In the matter of regimen there are amongst Europeans in the Possession two distinct courses followed. In the one a fairly sufficient dietary is adopted, with an absolute exclusion of wine, beer, and all other forms of alcoholic stimulants whatever. In the other class a diet of inferior quality is taken, and it is supplemented by some stimulant containing probably a small quantity of alcohol in some form or other; or the stimulant is taken in addition to a diet that is sufficient without it. There cannot be the slightest doubt that the former is by far the better course, and that the latter is a mistake. In my experience people that are total abstainers in the colony enjoy better health, and have a lower mortality than those that are not total abstainers. There is a widespread popular belief that some stimulant is required in the tropics, especially by people that have in a cooler climate been accustomed to it. This will not stand the test of experience. It is a matter that any one not a total abstainer can prove for himself in a month. I have not known a missionary that was of intemperate habits; but it is easy to see that the missionary that has no alcoholic stimulant with his meals is healthier than he that has. The principle applies to all residents in the country, but it is easier to see in the case of the missionaries than among other classes, because their habits and practice are more regular and uniform. The missionaries that as a class are total abstainers are the healthier, and stand exposure better than others. The man that is a total abstainer bears very much better the onset of fever than the man that is not; and he is also less liable to other diseases. These stimulants are valuable in conditions of debility when they are administered in small quantity. They should be eschewed by healthy persons that wish to remain healthy in the climate of British New Guinea.

That is the dictum of the highest authority we have on British New Guinea.

Senator DE LARGIE.—His testimony is out of touch with all the other evidence we have.

Senator STANIFORTH SMITH.—Sir William MacGregor is speaking of the use of stimulants in countries which are practically under the equator. The conditions of a place like New Guinea are vastly dissimilar from those of a temperate country. I have here an extract from a statement by General Gallieni, the Governor of Madagascar, sent to the Paris Temperance Conference—

> Until 1887 I drank wine and liquors, like all the world; neither more nor less than my comrades. At the end of a very arduous campaign that I had just commanded in the Soudan against Marabout Mahmadonhamine, and which had left my stomach in such a bad condition that I could hardly retain any meat, I renounced entirely wines, liquors, beer, coffee, &c., and put myself entirely on water. I never had a better idea in my life. Since then water has been my drink exclusively, and since then equally my stomach has been completely restored, and I have been able to carry out, in the best condition possible, arduous campaigns and journeys in Soudan, Tonquin, and Madagascar.

Senator GIVENS.—Does the honorable senator really believe that statement?

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Senator STANIFORTH SMITH.—I do; I believe that under the equator drink, used as a luxury, is absolutely injurious.

Senator Givens.—Did the honorable senator have no drink when he was in New Guinea?

Senator STANIFORTH SMITH.—I do not profess to be a teetotaller, but I am a very abstemious man.

Senator Walker.—Did the honorable senator indulge in no spirits at all in New Guinea?

Senator STANIFORTH SMITH.—I cannot remember having a single drink in New Guinea. I may say that I fancy I detected a flavour of sherry in some very nice turtle soup which I had at Government House, Port Moresby; but with that exception, I do not remember tasting alcohol when I was in the Possession. I return to the proposition, that we are to penalize 400,000 natives for the sake of providing for 500 whites, a luxury which competent authorities declare to be injurious. It has been said that as the natives do not take liquor, there can be no danger in the importation; but it is admitted by Bishop Stone Wigg, by the Acting Lieutenant-Governor, and also by the Chief Justice, that natives do become fond of liquor. In a report from the last-mentioned official, there is the following suggestive paragraph:—

> The only natives of the Possession who are, to any extent, addicted to the use of liquor, are those of the Western Division, who have acquired a taste for it when engaged on the Queensland pearling fleet; but no licensed premises have been allowed to exist at Daru for that reason.

Since then there have been licensed premises opened in that district. At any rate, we have here an admission that the natives become fond of liquor.

Senator de Largie.—Where is it stated by Captain Barton, that the natives take liquor?

Senator STANIFORTH SMITH.—That is mentioned at the beginning of his letter.

Senator Pearce.—The Bishop of New Guinea says that the natives have absolutely no taste for liquor.

Senator STANIFORTH SMITH.—There was a case in which a man was convicted in the Western Division for supplying drink to natives.

Senator Dobson.—Why should licences be granted in a district where the natives have acquired a taste for liquor?

Senator STANIFORTH SMITH.—I cannot say. There are about 200 pearling boats on the coast, and it may be that the licences are for the convenience of white men, or the Malays and Japanese who form the crews.

Senator Pearce.—The honorable senator has not mentioned the page of the report in which the statement is made as to the natives' taste for liquor?

Senator STANIFORTH SMITH.—I have not the page in my mind, because I had not intended to quote the extract. I may say, however, that at Thursday Island I have seen Papuans and Malays drinking, and, further confirmation in this respect is to be found at Daru. Although the island of Saibai is only about a mile from the mainland of British New Guinea, it is within Queensland territory. Liquor and also arms and ammunition were being taken across from Saibai to the mainland by the natives, and Mr. Giles, the Resident Magistrate of the Western Division, found it necessary to impose Customs and quarantine regulations between Saibai and British New Guinea in order to stop the traffic. That was most injurious and harassing to the natives, because they lived on the mainland, and only went across to Saibai for a few weeks occasionally to fish. This, in my opinion, establishes the fact that if the natives are allowed to get liquor they will very soon become fond of it. I feel that if the present conditions are continued they will in time become addicted to drink. I am not aware of any place on this planet where native and white races have come together, and where even though prohibition has been nominally in force so far as the coloured races have been concerned, they have not managed to get liquor, and have not been materially injured by it. Is British New Guinea going to be the one solitary exception to this general rule in the world's history? I do not think that it is. It is said that experience makes us wise after the event, whilst history makes us wise before the event. If we are guided by the history of the world in this matter we must admit that unless drink is prohibited in New Guinea the inevitable result will be what it has been elsewhere—that the black races will get it, and will go down. The question is whether it is desirable to keep liquor out of Papua, except when used for medicinal purposes, in order that the natives may not be able to get it, and a second and more

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difficult question is whether legal prohibition of the liquor traffic will effect our object or will aggravate the evil. This is a matter upon which there is a difference of opinion, and this is what is troubling Senator Pearce. The statement is made that if we attempt to prohibit the liquor traffic in New Guinea, the white people there who have been accustomed to the use of liquor will adopt every means in their power to obtain it, will break the law, and will set a bad example to the Papuans. I admit that that is a very strong argument, and it has actuated many people in opposing this proposal. I desire to be perfectly fair in dealing with the question. I have been to New Guinea, and have consulted the people there. I was told by every person to whom I spoke that he was opposed to prohibition. Though I speak strongly in favour of prohibition, I state the facts, and advocate certain proposals, with a knowledge of the facts. It is said that smuggling can be carried on in British New Guinea with the greatest possible ease. I do not believe that to be a fact.

Senator PEARCE.—All the Customs officials in New Guinea say that they think smuggling would be easy there.

Senator STANIFORTH SMITH. — I remind honorable senators that there are only certain ports of entry. There are Daru, Moresby, and Samarai. I am unaware of any others.

Senator PEARCE.—Those are the places which the smuggler would avoid.

Senator STANIFORTH SMITH. — If the honorable senator will permit me to elaborate my argument, I will inform him that it is a penal offence for any one to land anything in British New Guinea, except at a port of entry.

Senator GRAY.—Is it proved that smuggling is going on now?

Senator STANIFORTH SMITH. — I do not believe that it is.

Senator GRAY.—Why should it not be if it is so easy?

Senator STANIFORTH SMITH.—If we provide for prohibition it will be a penal offence for any person to have liquor on his premises, or in his camp, or to supply any liquor to any other person. If liquor is found on a boat trading to New Guinea, in New Guinea waters, the persons in charge will be guilty of an offence, and will be liable to punishment.

Senator BEST.—I do not think it will go as far as that. The boat might be carrying the liquor free for use for medicinal purposes.

Senator STANIFORTH SMITH.—That will only be done by an order from the Government, and the Lieutenant-Governor will be the only person entitled to import liquor. I point out also that it will be illegal for any one to land liquor, except on an order from the Lieutenant-Governor.

Senator PEARCE.—The Attorney-General is of opinion that the clause does not provide that the Government of New Guinea shall be the only authority entitled to import liquor.

Senator STANIFORTH SMITH.—In my opinion, it will be absolutely absurd to give private persons the right to conduct this traffic.

Senator WALKER.—Does the honorable senator mean to say that a mail boat going to Singapore may not call at New Guinea ports if she has liquor on board?

Senator STANIFORTH SMITH.—No; I am referring to coasting boats. But if those in charge of a mail boat attempted to land liquor at Samarai they would be liable to punishment. I contend that there would be less danger of smuggling under a law of prohibition than there is at the present time.

Senator PEARCE.—The honorable senator has, so far, only dealt with the coasting trade. What about smuggling across the land borders?

Senator STANIFORTH SMITH.—I point out that Senator Pearce was wrong in saying that there is one river that runs through British New Guinea into German New Guinea. The Gira River, which is the river to which the honorable senator no doubt referred, runs almost up to the boundary of German New Guinea, but it is wholly within the territory of British New Guinea. I point out that there are practically no roads in New Guinea running parallel to the coast, and I believe it would be absolutely impossible for any persons to bring liquor across from German New Guinea through the dense scrub and mountainous country which would have to be crossed, into British New Guinea. When we come to consider the possibility of smuggling across the Dutch boundary, I may say that at Daru there are probably four or five white men, and with these exceptions there is not one white man to be found between the Dutch boundary and Orikolo, where there is a single missionary—a distance of 300 or 400 miles.

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Senator Pearce.—Mr. Campbell, one of the resident magistrates of New Guinea, said it would be possible to obtain hundreds of natives as runners to smuggle liquor wholesale across the German and Dutch boundaries.

Senator STANIFORTH SMITH.—Mr. Campbell is one of the best resident magistrates in British New Guinea, but it is possible for a resident magistrate, no matter how good an officer he may be, to be unconsciously biased when discussing a matter which possibly personally affects himself, though I am aware that Mr. Campbell is a man of very sober habits. It is suggested that it is possible that prohibition would lead to the establishment of illicit stills. I admit that that is a great danger. The country is so difficult of access, that if the white people could succeed in importing illicit stills, there would be grave danger that spirits would be manufactured illegally. I have no doubt that if that were done, there would be a feeling among the whites that no one should "give the show away." This is a serious danger; but I think there would be great difficulty in importing the necessary machinery, and materials for the illicit local manufacture of spirits. I think it would be found out, because the natives would give information to the officials. There cannot be the slightest doubt that it is extremely easy to give the natives liquor under existing conditions. A man might enter a bar at Samarai and order the storekeeper to put half-a-dozen cases of whisky on his boat. He might then go away to the Gulf country to a place like Orikolo, where there is not a single white man, except a missionary, and the nearest resident magistrate is over 100 miles away, and he could sell that liquor to the coloured people. At the present time, there is absolutely no check upon this kind of thing, and where there is no resident magistrate within 100 miles, this is a state of affairs which is fraught with extreme danger. The natives are naturally of an indolent nature. They will do an immense amount of work in a short time; but they work only by fits and starts. The great difficulty which the traders have, is to get them to do continuous work; but there is one way in which they might do so; and that is by creating an appetite in the natives which will be stronger than their natural indolence. If they are able to create in the natives a craving for liquor, they will be able to get continuous work out of them for the supply of mats, sago, copra, and the other things with which they trade with the white people; but it will be at the expense of the lives of the natives. There is, therefore, an absolute incentive to the white people to supply the natives with liquor, because it is the only means by which they can get continuous work out of them. Some honorable senators seem to be surprised at the fact that the Lieutenant-Governor is unable to say exactly how many licensed premises there are in the Territory. According to its law, facilities must be given to the white community to obtain liquor if it is required. On the gold-fields at such places as Mambere and Gira, which are very remote from central government, it would be almost impossible to communicate with the central authority before granting a licence, because, while communication with Samarai is comparatively frequent, communication between those gold-fields and Moresby has been exceedingly infrequent. When a new gold-field breaks out, and a number of miners arrive, according to the present law a hotel has to be established, so that the white people can purchase liquor if it is desired. Therefore, authority has had to be delegated to the Resident Magistrate or the Warden to grant licences in such cases, and possibly the authorities at the seat of government can not be informed of the fact for two or three months. It is for that reason I think that the Lieutenant-Governor is unable to state exactly how many licences have been issued. Some remarks have been made by the Anglican Bishop of New Guinea which I think—unintentionally, of course—reflect somewhat unfairly upon the miners, and are liable to give honorable senators an impression as to their sobriety and morals which will have an inimical effect when we are considering whether they shall be given the right to elect certain members of the Legislative Council. At one place the right reverend gentleman speaks about—

> Unchecked orgies which have disgraced and lowered the white race in the eyes of the natives.

In another place he speaks of a digger who boasted that he had drunk five bottles of whisky in two days. No doubt the intention of the right reverend gentleman was not to pass any aspersions on the miners generally. I met a great number of the miners, and my experience is that there is not in the Commonwealth a finer body than those men. They are stalwart, enterprising, clean-living men, but in a community like that, as in all communities, there are a few "scallywags," who engage in beach-combing, and

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disgrace the country. They are the flotsam and jetsam of society which have drifted to the Pacific Islands. I suppose that these pariahs of society in the Territory could be counted on the fingers of one hand. In describing the action of these men, who not only disgrace the race they belong to, but set a bad example to the natives, we are, unfortunately, apt to consider that they represent the white population. The Commonwealth does not possess a more law-abiding or better class of white people than the miners and traders in the Territory. It is unfortunate that these reflections were made, though, of course, they were not expressed with any malicious intention, because they suggest that the white settlers are not fit to be intrusted with the suffrage. In the interests of the natives the best policy we can adopt is prohibition of drink except for medicinal purposes, and in the event of that policy not being adopted the next best policy is straight-out State control, because it would eliminate that sordid element which makes vendors of drink desire to sell as large a quantity as possible in order to enhance their profits. It is possible that they would endeavour to sell liquor illicitly to the natives. If the control of the traffic were placed in the hands of a State official, who would obtain no monetary advantage by selling an increased quantity, he would not be likely to try to push the sale of the article, and it is very improbable that he would supply the natives. If liquor be sold, certainly it should not be sold in large quantities. It should only be sold by the glass, by the State, except in special cases. If a man were allowed to buy a case of whisky it would be possible for him to go beyond the reach of a resident magistrate and sell the liquor to the natives. I hope that the clause will remain as it is, but if it should not meet with the approval of the Committee I think it would be infinitely better to adopt the system of State control.

Senator PULSFORD (New South Wales).—My sympathy has always gone with efforts antagonistic to the drink traffic. For more years than I care to count I have been an abstainer. I dare say that if it were necessary I could read the Committee a lesson on the evils of the drink traffic. But there is something else we have to consider. On one occasion, Bishop—afterwards Archbishop—Magee made use of an expression which became famous. He said, "Better England free than sober," not meaning to discount the advantages of sobriety, but suggesting that the great aim of statesmanship should be to secure the great principles of freedom, and that the best of social life would follow therefrom. That view will govern my vote on this occasion. I cannot bring myself to think that it would be wise to say to the British residents in this Territory "We shall drink liquor when we choose in Australia, but you shall not drink liquor in British New Guinea." I object to that plan, because it departs from the great principles which have made the British race what it is all the world over.

Senator McGregor.—Great "boozers"!

Senator PULSFORD.—I am afraid that we shall have great "boozers" for a long time to come, but how are we to get rid of them? I am convinced that the result will not be achieved by attempting to make people sober by Act of Parliament. In this matter we must treat the natives of the Territory like children. We can do them no greater harm than will ensue to them if we prohibit the sale of liquor. If we follow the plan which is laid down in the Bill, we shall create a huge system of smuggling, and do injury even to the coloured people. Once it was inaugurated it would proceed from the white to the coloured men, and lead to a greater deterioration of the natives than would be likely to result from a well-regulated law, which, whilst it allowed white people to procure liquor, would rigidly prohibit the coloured race from the use of it. I shall vote not only against the clause as it stands, but also against the proposals outlined by Senator Pearce, because it strikes me that they would fail to achieve the laudable object he has in view.

Senator DE LARGIE (Western Australia).—It is not from any opposition to the cause of temperance that I rise to oppose the clauses dealing with the prohibition of intoxicants. There is no political party which should more ardently support the temperance cause than the Labour Party, because I believe that its triumph would be very speedy under a temperance *régime*. I consider that the drink traffic does more harm to the Labour Party than to any other political party. Perhaps, if I were considering only the advantages of the Labour Party, and we were asked to apply prohibition to the Commonwealth, I should look upon the proposal in a different light. I believe that when this clause was inserted in the Bill, the members of another place had not received the correspondence which is

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contained in the return which has been laid before us. Had they read it they could not have reconciled their votes in favour of prohibition in New Guinea with the opinions of the leading residents.

Senator GRAY.—The correspondence is nearly all reprinted in the speeches made in another place, so that honorable members must have read it.

Senator DE LARGIE.—I am afraid that they have not had time to give this question the consideration which it deserves. The correspondence is very strong in condemnation of this provision. It emanates from men who have lived in British New Guinea for many years, whose character is beyond reproach, and whose word will be taken by every one. They are men in all circumstances of life, including clergymen who are taking part in the missionary work, men representative of all the churches; magistrates, medical men, and tradesmen. Every one of these men speaks strongly in condemnation of prohibition. I can only attribute the insertion of the clause to the fact that this Parliament has the reputation for being extremely sober. Whatever else the opponents of Federation can fire off at the Federal Parliament, they are obliged to admit our sobriety. A return printed by another place shows that the value of the drink consumed by the members of this Parliament amounts to something like 4d. per week per member. I think that the temperance zeal of members of another place got hold of them to such an extent that they determined to go to the utmost limit in compelling other people to do as they do.

Senator Lt.-Col. NEILD.—The amount mentioned included the liquor consumed in the buildings by persons who are not members of the Federal Parliament.

Senator DE LARGIE. — I am afraid that those who are not members do not receive much encouragement to come to this building, seeing that the expenditure on liquor amounts only to 4d. per member per week. I have always been a temperance man myself. I have been as temperate in reference to drink as in everything else. But I have never been a total abstinence man. That is altogether distinct from being a temperance man. I regard this proposal as one of those teetotal attempts at tyranny which do the temperance movement more harm than good. It is this intemperance of the temperance party which retards its progress more than anything else. I recognise that the temperance party have a good cause. They are exceedingly earnest men and women. But very often they show a lack of judgment in dealing with questions of this kind. They overshoot the mark, with the result that they fail to do any good whatever in their movement for the promotion of temperance. I hold that it is efforts of this kind that have kept the temperance movement back. I cannot see how any man can advocate the application of the principle of prohibition to British New Guinea, of all parts of the world. If we attempted to carry out this provision, we should be unable to provide salaries for the number of police and officials who would be required. It is a totally unworkable endeavour to foist the principles of the temperance party on to people who have very little power to benefit themselves in a legislative sense. If we must try these experiments in total abstinence, why do we begin with British New Guinea? Why not commence with the Commonwealth? If the country were in favour of it, we should, at all events, elicit an expression of opinion.

Senator GRAY.—Would the honorable member vote for it?

Senator DE LARGIE.—I will wait until I see a definite proposal before I commit myself. But there would be more sense in proposing prohibition for the Commonwealth than in attempting to apply it in British New Guinea. I know something of gold-mining countries, having for some years lived in the back-block parts of Australia. I know that it is absolutely impossible to secure the total abolition of drink amongst a mining community; and if there are any people in the world who are capable of defying the law upon such a question, miners are just the men. An attempt to abolish drinking habits amongst the miners would have the same effect as the attempts made in Western Australia, in the early gold-digging days, to take alluvial rights from the miners and to hand over the fields to big companies. There was such trouble about it that the Government were glad to get out of the whole affair and to let the miners do what they jolly well liked. The same thing would happen in connexion with prohibition in British New Guinea. The result would simply be that within a very few years we should have to repeal the law which we had placed upon the Statute-book. I am surprised to find that Senator Smith should endeavour to support his case for prohibition by quoting from Captain Barton, because I find that that gentleman

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speaks in quite the opposite direction. He speaks very strongly against any attempt at prohibition. He also points out that there is little or no danger of a love for alcohol extending to the Papuans.

Senator STANIFORTH SMITH.—I think that the honorable senator will admit that I said that every Government official, as far as I know, was opposed to prohibition.

Senator DE LARGIE.—But the honorable senator singled out Captain Barton for some reason or other.

Senator STANIFORTH SMITH. — I was speaking as to whether the natives would drink liquor if they got possession of it, and I quoted Captain Barton in support of my statement.

Senator DE LARGIE.—The only passage in Captain Barton's report which bears upon that point is a remark as to some Papuans who went to Thursday Island. Some of them took to drink, but Captain Barton said that they were not worth reckoning when it came to a question of applying prohibition to the whole Possession. I will quote from his report. He says—

> I can speak from my own knowledge, that the coloured men at Thursday Island—Asiatics and Pacific Islanders—can, and do obtain, liquor in the public bars, and while this latitude is permitted, it will not be possible to prevent a few Papuans acquiring a taste for it. Natives in this employ are the only Papuans within my knowledge, who have any desire to drink intoxicating liquor. It might be found necessary, were this evil to show signs of increase, to debar Papuans from being employed in the Thursday Island shelling industry; but at the present time there is nothing to warrant such a step being taken.

Further on in his remarks he points out the difficulty of trying to apply this law in British New Guinea. He says—

> Speaking generally, the duties of the Resident Magistrates are made easier by the friendly cooperation of the miners, traders, and other white men in their divisions, but in the event of abolition being enforced by law, it is certain that a spirit, hostile to the Government, will be engendered among those people, a spirit which will become more or less hostile the more or less conscientiously the Magistrates endeavour to enforce this law. But the matter, unfortunately, does not end here, for those natives who would be employed in the various ways of smuggling liquor into and about the country would also be forced into taking sides against the Government along with their white employers.

That passage shows the danger of attempting to introduce legislation which may promote feeling against the Government. Once the natives are made rebellious in one respect, it will be very easy to teach them to oppose the Government in everything else. That is the greatest danger we should have to face in endeavouring to enforce a law of this kind upon the whites, who are apparently the only people on which it could be practised. The natives of the country, as is pointed out all through the report, have not acquired a taste for liquor. Hence there is no necessity to legislate for them. As to the white men, I hold that it would be cruel to compel them to exist in an inhospitable country like British New Guinea, especially upon the diggings, without the opportunity to have a glass of grog if they desired it. If there is any part of the world where it is justifiable for a man to have a drink occasionally if he pleases, it is in a country with a climate like that of British New Guinea. It would be foolish for us to endeavour to enforce a law of this kind upon the people, and it would be impossible to carry it out. Therefore I trust that the Committee will not agree to the prohibition of liquor.

Senator O'KEEFE (Tasmania).—I intend to support Senator Pearce's amendment. After full consideration, I think it is a very fair proposal indeed. In the first place, I am totally opposed to prohibition. I do not believe that the clause as it stands in the Bill will work in the best interests either of the white residents of British New Guinea or of the natives. If the white residents, after the question has been submitted to them, declare themselves opposed to prohibition, I shall certainly be in favour of Government control. I am surprised at the attitude taken up by some honorable senators, and by honorable members of another place. It seems to me that some of them say that a thing is very good as long as it is tried on some other fellow. Senator Smith speaks with a certain amount of authority on New Guinea questions, because he spent some time in the country. But this afternoon he advocated prohibition, though he freely admits that the large majority of the white settlers with whom he came into contact said that they were opposed to it.

Senator WALKER.—He said "without exception."

Senator STANIFORTH SMITH.—I wished to put both sides fairly.

Senator O'KEEFE.—I am inclined to think that in this matter Senator Smith is not acting in that unselfish statesmanlike way that has generally characterized his attitude towards New Guinea questions. I do not suppose the honorable senator will object if I say I have good reason to believe that

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he had a case or two of liquor with him when he went to New Guinea.

Senator STYLES.—Medical comforts!

Senator O'KEEFE.—Exactly; I do not wish to infer anything to the contrary. Although there is no prohibition at present, the honorable senator doubtless knew that in out-of-the-way places the liquor is very often not too good, and is described in various ways as "chain lightning," "snake juice," "tanglefoot," and so forth; and a traveller who thinks he may require liquor as a medicine, takes with him liquor of the best quality. I ask Senator Smith, and those who favour prohibition, to remember that the average man engaged in mining and other pioneering work is not in a position to take a stock of liquor with him for medicinal purposes.

Senator GUTHRIE.—Such a man has to put up with "chain lightning."

Senator O'KEEFE.—And probably will have to put up with such liquor until the traffic is under Government control. That is a reasonable assumption from our experience of out-of-the-way places in Australia. Under Government control, however, there would be no incentive to sell "chain lightning," and there is no doubt that a proposal in that direction presents the best method of removing the danger presented in the sale of poisonous liquor under private enterprize. I hope that a majority of the Senate will come to the conclusion that the proposal by Senator Pearce is a very fair one. Senator Pearce desires that matters shall remain as at present until we have obtained a fair idea of the opinion of the white residents of Papua. If those white residents express the opinion that in their own interests, or in the interests of the natives, prohibition is necessary, then by all means let there be prohibition. I would rather trust the majority opinion of the white settlers than the opinion of our temperance friends in Australia, who, from the best of motives, are anxious for prohibition. Those white residents are in a much better position to decide what they require, and what may be dangerous to the black races, than are temperance advocates at a distance from the Possession; and Senator Pearce's proposal affords the foundation on which we may legislate with our eyes open. So far as our information at present goes, the white residents of New Guinea are against prohibition. There may, however, be a number of whites whose opinion has not been ascertained, and every effort should be made to meet the wishes of the majority. I have no doubt that most honorable senators wish to see this Bill become law, and we ought to consider what is likely to be the effect of our decision when the measure is returned to another place. I shall vote against prohibition, and for Government control, and I believe our proposals will find readier acceptance in the House of Representatives if we accept Senator Pearce's amendment, instead of rejecting the clause. If we strike out the clause, and reject prohibition without condition or qualification, it is possible that some time may be wasted in parleying between the two Chambers. I take it that the leader of the Government in the Senate is anxious to see the Bill passed, and I suggest that the proposed amendment provides a very good compromise; at any rate, it upholds the old principle of majority rule.

Senator Lt.-Col. NEILD (New South Wales).—We have to take a practical rather than a theoretical view of this question. Like some honorable senators who have preceded me, I may say that, even before I became a member of Parliament, and ever since, I have been a supporter of every rational proposal in the direction of encouraging sobriety. But there is a great deal of difference between men who desire to promote temperance on lines which are practical, and men who advocate temperance on purely theoretical lines. I recognise fully and completely the earnestness and *bona fides* of workers in the cause of temperance, both men and women, in the Commonwealth and elsewhere. But in this particular instance I am swayed much more by the opinions of reliable persons on the spot than I am by the theoretical views of people who cannot have a knowledge of local conditions, such as that possessed by the various ministers of the Christian religion, many of whom have spent the time almost of a generation in the Possession. Then we have also the opinion of the Government officials as to the working of the present law, and the proposal submitted in the measure before us. It cannot be suggested that these persons living in New Guinea are desirous of encouraging any kind of traffic which would be injurious to the best interests of the people, white and coloured. We cannot suppose that men who have gone with their lives in their hands to preach the gospel to the natives, do not know what they are talking about, or are anxious for a drink traffic of an undesirable character. As I

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say, I am more swayed by the opinions of men who have lived in New Guinea for years, with the desire to benefit the dark races, than I am by the views of good people, who have never been in the Possession, and do not understand the conditions of the country. We have been told by Senator Smith that New Guinea is so large that a licence might be granted in one part, and the fact not be known at head-quarters for three months. If the means of communication are so utterly deficient, what check could there possibly be on the smuggling which would inevitably follow prohibition? I understand that in Dutch New Guinea, just alongside the British Possession, the liquor known as "square-face" gin can be purchased at 10½d. and 11d. per quart. There are thousands of native canoes, which could be utilized to bring that stuff into British territory. The depth of water on the coast is such for hundreds of miles that canoes could easily sail where revenue vessels or steamers employed to check smuggling could not follow.

Senator GRAY.—Smuggling would yield a good profit now.

Senator Lt.-Col. NEILD.—But there is not the inducement to smuggle, when an article can be purchased at a reasonable price.

Senator MULCAHY.—Liquor can now be obtained legally.

Senator Lt.-Col. NEILD.—People who desire drink, will not commit a crime for the sake of a few shillings. One of the evils of smuggling is that people obtain only intermittent supplies, and are inclined to go in for a "big burst" when opportunity offers.

Senator STYLES.—Is that so?

Senator Lt.-Col. NEILD.—I am speaking generally—not with any particular application to New Guinea.

Senator HENDERSON.—Then I suppose that if boots were smuggled, men would wear a dozen or fifteen pairs instead of one.

Senator Lt.-Col. NEILD.—I do not know that a man could wear as many boots as he could drink glasses of grog. I understand that there is abundance of material in New Guinea suitable for distilling purposes, and in this connexion we should, under prohibition, certainly have the natives employed in what I suppose may be described as a crime. It would create in the native mind the idea that liquor was a very much more valuable commodity, if all the trouble I have indicated had to be gone to to get it, than if it were supplied in the ordinary way of trade.

Senator BEST.—They are prohibited from getting it now, and should not that create the same impression?

Senator Lt.-Col. NEILD.—To some extent, the interjection is apposite, but at the same time I think the view which I put forward is entitled to some consideration. One or two speakers have suggested that in the light of our experience the efforts to control the liquor traffic in Australia have accomplished comparatively very little. That is the experience of New South Wales. There has been no alteration of the liquor law in that State for a quarter of a century. There have been, in the meantime, most industrious and earnest efforts on the part of many good people to bring about an improvement, but I think they have gone about the reform in the wrong way, as this proposal does. Instead of devoting their energies to an improvement in the conditions of the trade, and particularly to the improvement of the liquor sold, there has been a strong and almost unreasonable demand for the impossible, namely, prohibition. I feel convinced that if those who are so earnest in their efforts to deal with the drink traffic had devoted more consideration to its details, rather than to its wholesale abolition, more would have been accomplished. If they did something to bring about an improvement in the quality of the liquor sold, good results would follow.

Senator GUTHRIE.—Does not the honorable senator think that it is the fellow who drinks it who ought to do that.

Senator Lt.-Col. NEILD.—Unfortunately, a very great many of those who take drink will not go to that trouble. A simple plan which is put in operation by a good many people who take liquor is that they will not visit hotels where the liquor sold is not sound. My honorable friend, even in his own experience, may possibly have some knowledge of that, and be none the worse for it. If such efforts as I have suggested had been made, the amount of good which might have been achieved during the last twenty-five years in New South Wales would have been marvellous. In New South Wales much good might have been accomplished in detail, whereas the efforts which have been devoted to the total abolition of the drink traffic have not been in accordance with the

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wishes of the majority of the people of the State. I scarcely approve of the proposal that the 400 or 500 white residents of New Guinea should be the arbiters of this matter. It is possible that they might be arbiters in their own behalf, and might be indifferent to the well-being of the natives of the Territory. I have not had a sufficient opportunity to study Senator Pearce's proposal, but I understand that the honorable senator does not propose either to prohibit absolutely, or to allow the few white residents of the Territory to be arbiters of the fate of the whole community of the Territory in respect to its liquor laws. I understand that the honorable senator's proposal is of a very much more practical nature than is the provision contained in this Bill, and will be very much more likely if adopted to produce good results. Whilst I say that I feel it my duty to vote against the proposed prohibition, I hope, on closer examination, to be able to support Senator Pearce's amendment.

Senator BEST.—The present amendment is local option, pure and simple.

Senator Lt.-Col. NEILD. — I did not so understand it. If that is the proposal, I do not think that it is at all satisfactory for the reason I have indicated. I think it is not right that a handful of white people should settle the question of the liquor supply for the great population of ignorant coloured folk in the Territory. That is not a proposal which I could support. But for the reasons I have given, I feel it to be my duty, with a full sense of the responsibility of giving a vote upon such a matter, to vote against the clause as it stands. I believe that to enact such a clause would bring about smuggling, or illicit distillation, or both, and that in the circumstances the interests of the coloured inhabitants of the Territory would be jeopardized to a greater extent than by the continuance of the system which at present obtains, and which has the strong support of the whole of the clerical people on the spot; and apparently the full support of the officials charged with the government of the mixed population with which they have to deal in British New Guinea.

Senator HENDERSON (Western Australia).—I shall avail myself of this opportunity to state clearly that it is my intention to support the clause as it stands. I wish it to be distinctly understood that I shall not do so, because of the suggestion which has been made in this Chamber that, while we are prepared to try our hands at prohibition, as applied to the "other fellow," we are not prepared to apply the same principle to ourselves. I wish honorable senators to understand that if I were given the opportunity to-night, or at any early date, to vote for prohibition for the whole of Australia, I should vote for it.

Senator WALKER.—What would the honorable senator do for revenue?

Senator HENDERSON.—There are a thousand and one means by which revenue could be obtained without the besotting of men's lives.

Senator WALKER.—What about Great Britain?

Senator HENDERSON.—Great Britain has derived more ruin than revenue from the drinking habits of her people. The object of this Bill is the government of what we are pleased to term a new accession to the Commonwealth. I find that the Territory is already populated by 300,000 or 400,000 native inhabitants, as compared with some 400 or 500 white people, who probably have no business there at all. The result is that it is admitted almost without dissent in this Committee, and in another place, that it is absolutely dangerous to allow strong drink to be used by the natives of this Territory. We have been given some examples from our own experience. It has been shown that the aborigines of Australia have been practically wiped out as the result of their contact with white civilization, and the drinking habits of white people. If possible, we wish to avoid any such calamity befalling the native population of New Guinea. If that is our desire, as honest and reasonable men, we should say so. If our purpose is to preserve this Territory for the people, who are its natural inhabitants, it is clearly our duty to prevent those people from committing social suicide, if it is within our power to do so. In my opinion, that is what the Bill aims at. We have been told that missionaries, who have spent some time in New Guinea and the adjacent islands, are agreed, for various reasons, which they set forth, that it would be unwise to enact prohibition. Whilst we may pay a very great deal of attention to the opinions of missionaries on such matters, we should not forget that the heads of the churches have made very remarkable mistakes in connexion with the civilization of men. Some years ago, when the British people were endeavouring to free a certain number of slaves, the persons who most persistently endeavoured to prevent the freedom of those slaves were the bishops and

heads of the church, who were unrepresentative of the people, and who sat in positions where they were able to exercise votes unassailed. We know that they expressed themselves in terms which, if they were given expression to by the heads of churches to-day, would secure but very little notice for those persons or their arguments. The missionaries may have experienced very great trials in the course of their labours for the civilization of these people, but we should not forget that it has oftentimes been thrown in the teeth of Britishers that we have attempted to civilize men by means of the Bible, the gun, and the rum bottle. In this Territory we have a people 400,000 strong, whom we all wish to preserve and guard against our liquor customs. Yet it is sought to annihilate 400,000 natives for the sake of conveniencing a few hundred white men.

Senator PULSFORD.—Nonsense.

Senator HENDERSON.—That is precisely the position. If the honorable senator thinks it is dangerous that the natives should be contaminated with our drinking habits, and he is prepared to allow a few hundred white men to introduce an article which would be inimical to the welfare of 400,000 natives, what else is he doing but legislating with a view to exterminate the native race? Where have the native races of Australia gone, and what has been the cause of their disappearance?

Senator O'KEEFE.—We have civilized the aborigines out of existence.

Senator HENDERSON. — Certainly. And now honorable senators are endeavouring to civilize out of existence 400,000 natives in British New Guinea—in order, I suppose, that the British Christian people may take their belongings and bid them good-bye.

Senator DE LARGIE.—Which has done the aborigines of Western Australia most harm, food or drink?

Senator HENDERSON.—The want of food may have done some harm, and probably the drink accomplished the rest.

Senator DE LARGIE.—There is not much drinking amongst the aborigines of that State.

Senator HENDERSON. — Fortunately for us there is not. But nevertheless, we have to recognise that the race has practically been killed off by our customs.

Senator DE LARGIE.—Not by drink.

Senator HENDERSON.—By drink and other things.

Senator PULSFORD.—Will the honorable senator kindly explain why the results which he now predicts in regard to the Papuans have not taken place in British India?

Senator HENDERSON.—The honorable senator is acquainted with the reason. If we prohibit the manufacture or importation of drink it will create the smuggling habit. When salt was smuggled into the British Isles, the Britisher did not use five pounds of the article per day, as has been suggested, because it was smuggled. When gloves and boots were being freely smuggled into the old country, the authorities made an effort to put down the habit. Each State in the Commonwealth has passed a criminal code. No one ever suggested that the passing of a code was destined to create criminals. On the contrary, it was passed in order that the authorities might be able to deal with crime as it occurred. It is our duty to prohibit liquor from being imported, manufactured, or used for other than the prescribed purposes. I do not intend to support a provision which would lead to the sacrifice of 400,000 natives in order that the appetites of 400 or 500 white men might be satisfied. In this new country there are no vested interests to contend against. There is nothing whatever to prevent an experiment being made in this direction, and the opportunity to test the principle ought to be taken advantage of. If it should be found impossible to make men sober by Act of Parliament, we can then proceed to regulate the traffic. My opinion is that the traffic should be in the control of the State, but on this clause I intend to support the Government.

Senator WALKER (New South Wales). —We have had several very interesting speeches on this subject. I am pleased that honorable senators credit each other with a desire to do what they believe will best promote the welfare of the community for whom we are legislating. The last speaker when he was asked a question seemed to take it for granted that Senator Pulsford knew why it was that 300,000,000 people in India have not been demoralized by drink. The reason is that about one-third of that number, if I mistake not, are Mohammedans. Some persons seem to think that blacks will always act foolishly; but the black races in India are quite able to protect themselves against drunkenness. Much of what has been said to-night would be very true if there were no legislation to prevent the very evil we are discussing. I have in my hand an ordinance by the Govern-

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ment of British New Guinea called the Arms Liquor and Opium Prohibition Ordinance, which, in section 2, says—

> No person shall, except as hereinafter permitted, supply to any native by sale, gift, or in any other way, either directly or indirectly, any firearm, ammunition, explosive, intoxicating liquor, or opium; and any person offending against any provision of this section, shall, on conviction in a summary manner, be liable to a fine of not less than £20 and not exceeding £200, and to imprisonment for any term not less than one month and not exceeding two years.

That ordinance was passed on the 17th September, 1888, and has been effective. If we have effective legislation, why should we go in for over-legislation?

Senator Gray.—They must drink a larger quantity of liquor than any people in the world.

Senator WALKER.—In British New Guinea, as well as in Western Australia, the white men greatly outnumber the white women, and whenever that is the case, there is proportionately a larger consumption of spirituous liquors. It must be remembered that we possess only a third of New Guinea, and, as Senator Pearce pointed out, there is great danger of smuggling taking place if we are not careful in our legislation. Senator Smith seemed to think that there was great difficulty in importing spirits from German New Guinea. But I think I am right in saying that the Gira gold-field adjoins the border of the German Dependency. It would be a very serious matter to the Territory to lose the revenue which is obtained from the duty on spirits. It is all very well for some honorable senators to be altruistic; but they should be prepared to increase the allowance from the Commonwealth to the Territory by at least £5,000 a year. It is not fair that our fellow countrymen in the Possession should be handicapped in more ways than one.

Senator Styles.—Is £5,000 a year obtained from the duty on spirituous liquors?

Senator WALKER.—The revenue is between £3,000 and £4,000, and is increasing every year, owing to the growth of population.

Senator Styles.—The 400 white men must consume a lot of liquor when they contribute £10 per head to the revenue.

Senator WALKER.—I strongly object to the suggestion that I wish to penalize 400,000 persons for the sake of benefiting about 500 persons. The natives are already protected by an ordinance, and nothing that we can do so far as I can see, will afford them a more thorough protection than they possess. An honorable senator seemed to make rather light of the unhealthiness of the Territory. Although Port Moresby is one of the most healthy parts, still Captain Barton, the present Administrator, has intermittent attacks of malarial fever. I, myself, visited him in the Melbourne Club while he was suffering from a recurrence of the complaint, and he told me that he expected an attack about every six weeks. It is nonsense to say that there is no danger. There is a terrible complaint known as "blackwater," which I have reason to know, is most deadly.

Senator Givens.—We are now dealing with firewater.

Senator WALKER.—Many honorable senators are not prepared to legislate for the Commonwealth as they wish to legislate for British New Guinea. What honorable senator who is prepared to vote for prohibition in the Possession is, at the same time, prepared to vote against the admission to, or sale of intoxicating liquors in, the Commonwealth, or against the use of spirituous liquors in the parliamentary refreshment room. Let us begin at our own place.

Senator Styles.—We are not savages; the honorable senator should not compare us with New Guinea natives.

Senator Pearce.—Miners are not savages, either.

Senator WALKER.—We have heard a great deal about the evidence of the missionaries. It is fair to say that that evidence goes to show that the missionaries are for the most part total abstainers. I propose to make two or three extracts from the evidence of the Acting-Governor, and also from the evidence of Mr. Anthony Musgrave, who has been chief secretary in New Guinea for fourteen or fifteen years. Captain Barton, in a despatch of 14th May last, writes very strongly upon the subject. This is not hearsay evidence, but the testimony of a man who is respected by every one who knows him, and who, at the time of his appointment, was the most popular official in British New Guinea. Honorable senators are aware that the late Prime Minister, Mr. Alfred Deakin, sent a despatch to the Lieutenant-Governor, and asked him to cause certain questions to be printed, and circulated amongst residents. Captain Barton, in his reply, says—

> After the amendment clause to the Papua Bill for the total abolition of the sale of liquor had

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been proposed in the last Federal Parliament, a list of questions was made out by the then Minister of External Affairs, which was sent under cover of a despatch to the Acting Administrator of British New Guinea, with instructions that these questions should be printed in the Possession, and that a copy of them should be sent to every male white resident in the Possession. These questions had reference to the proposed abolition (and also to certain proposed changes in the Lands Ordinance), and the object in view was presumably to test the opinion of the local residents with regard to these matters. Copies of the document were circulated in accordance with instructions, and the answers received were duly forwarded to Melbourne.

Our proposed legislation has produced this additional evidence, and we should give heed to it before we act. Captain Barton says—

I believe I am correct in stating that the opinions thus gathered were unanimously opposed to the compulsory abolition of liquor consumption, and maintained that there was no reason for supposing that natives are able under present circumstances to obtain liquor.

That is the very object we wish to attain.

These opinions were equally unanimous in stating that the present law of the Possession (The Arms, Liquor, and Opium Prohibition Ordinance of 1888) is fully sufficient to deal effectively with any breaches of it.

What more do we want than that?

The aim of the Administration has from its inception been most careful to conserve the welfare of the native population. The Government has ever had before its eyes the dire result of alcohol upon the native people of Australia and the Pacific, and in framing a measure to avert a similar fate overtaking Papuans has gone so far as to include in the "Arms, Liquor, and Opium Prohibition Ordinance" all inhabitants, ***not of European descent***, as natives.

So that any coloured man is considered for the purpose of this ordinance as if he were a native of British New Guinea.

All such people, equally with natives, are debarred from obtaining liquor. Under this Ordinance white persons, convicted of giving or selling intoxicating liquor to any "native," are liable to a fine of £200 and six weeks' imprisonment, while the "native," who received the liquor, is liable to a fine of £10, or three months' imprisonment.

We have already been told that the natives have a stimulant of their own. On this subject Captain Barton says—

All Papuans in British New Guinea are betel-nut chewers, with the exception of those in the Fly River District. The latter drink "gamada"—a decoction made from *Piper Methysticum*—which is identical, as far as is known, with "Kava" as used in the Pacific Islands. The Fly River natives, however, when taken away from their district, readily acquire the betel-nut habit. This has the effect of a mild stimulant, and it is said on good authority to have a beneficial effect upon the users of it. The habit may be said to take the place of alcohol, inasmuch as it supplies the need of an artificial stimulant, which all the peoples of the world apparently require. I have myself frequently made use of it, and found it to have a soothing influence upon me. Papuans are as greedy for betel-nut as some white men are for alcoholic liquor. In places where it is scarce, it is frequently an object of theft; and one of the most heinous of offences in a native's eyes is a theft of betel-nut.

With regard to smuggling Captain Barton says—

One of the gravest objections to the proposed legislation is the inducement it will give to smuggling liquor into the Possession—a traffic which would become the more profitable the more strictly the law were enforced. With German New Guinea contiguous on the Northern boundary, and Dutch New Guinea contiguous on the Western boundary (into both of which countries liquor may be imported, I believe, wholly or almost duty free) it will be impossible for the Administration efficiently to cope with a smuggling traffic. The impossibility of doing so will be self-evident if the comparatively huge extent of country under each Resident Magistrate's control is considered. For, apart from 300 miles of land boundary on the Dutch side, and 500 miles on the German side, the actual coast line of British New Guinea itself is over 3,600 miles in length.

I can scarcely believe that statement myself, but I quote it on the authority of Captain Barton—

To supervise all this there are but six Resident Magistrates, five of whom are provided with small sailing vessels, and the remaining one has nothing bigger than a whaleboat. It will be borne in mind that although the white men engaged in smuggling would be the chief gainers in the traffic, a large number of natives would undoubtedly be employed by them in order to make it successful. It is, moreover, quite conceivable that the more intelligent natives might become smugglers on their own account, and with that would arise the extreme danger of such men being in personal possession of large quantities of liquor.

It seems to me that this is a most valuable report. Captain Barton goes on—

The Administration has always been at pains to win the confidence of the natives, and to teach them that above all things it is scrupulously just. Natives are slow in distinguishing between one white man and another, and it is always a difficult matter to draw a distinction, which the native can understand, between a man who has the interests of the natives at heart, and one who is merely consulting his own interest. It is only by the exercise of extreme patience, tact, and unfaltering rectitude, that the native is gradually brought to understand that his best friends are the Government officials. A Magistrate is always associated in the native mind with the prison, and independent white men, if so disposed, could easily so take advantage of this horror in the native mind as to undo the work of years. It is,

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therefore, much to be feared that with a network of smuggling extending between the widely-scattered white residents, the incriminated natives first, and the bulk of the native population subsequently, will form a faction with the white non-official residents against the Government. Thus in a short time there would arise a spirit the very opposite of which it has for years been the constant object of the Administration to foster and develop. White men convicted of smuggling, or drinking prohibited liquor, would feel no sense of shame in going to prison. They would feel it to be, and their fellows would regard it as a martyrdom, an injustice. This notion would be readily imbibed by the natives, and the Government, which hitherto had been looked up to as an embodiment of justice, would come to be regarded as a persecuting bogy. Another objection to abolition is that it will have a demoralizing effect upon the civil servants. In the first place, it is hardly to be supposed that an officer without medical qualifications can properly dispense liquor for medicinal purposes. Such dispensing is more than likely to become a mere farce. One does not see what is to happen when the Magistrate in charge of a division is travelling in his district—a duty which takes up more than half his time—whether he is to lock up the liquor medicine chest, and go away with the key in his pocket, or whether he should leave the key of the liquor dispensary in charge of the native lance-corporal of police, who remains meanwhile, perchance, in charge of the station?

With regard to Government control, he says—

The foregoing objections are urged against abolition; they apply in part also to the less radical suggestion that the liquor trade should be made a Government monopoly, more especially so where the question of revenue is concerned. Under the latter system there is certain to be a falling off of revenue, but this amount may, I conjecture, be approximately forecast.

I will next quote what Mr. Anthony Musgrave says. He has been in British New Guinea for a very long time. I knew him when he was private secretary to one of the Governors of Queensland, before he went to the Possession. He says at page 6 of the correspondence—

After a personal and official knowledge of British New Guinea, which has been continuous for the past nineteen years, I confess that I feel quite at a loss to understand why the Possession should have been singled out for the imposition of an extreme measure, which prevails in no other parts of the Empire, and has never been held to be required or desirable by former Commissioners and Governors of the Territory. The demonstration surely is not intended as a reflection on the administrative prestige and character of experienced British New Guinea officials, deeply impressed with the need for guarding a large native population against indulgence in liquors or opium, &c., as well as the necessity to control excess on the part of thoughtless members of our white community. The first Special Commissioner, the late Major-General Sir Peter H. Scratchley, R.E., certainly did not regard any such drastic prohibition as demanded by local conditions—nor did the second Special Commissioner, the Hon. J. Douglas, C.M.G., the highly-respected Magistrate in charge at Thursday Island.

I am sorry to say that Mr. Douglas has since died. Mr. Musgrave goes on—

Other Administrators—Sir G. R. Le Hunte, the present Governor of South Australia, and Sir F. P. Winter, late C.J.O. for over fifteen years—never, to my knowledge, expressed the view that the existing law was insufficient in the present or might prove inadquate in the future. My own personal opinion is to the effect that our local law, while it continues to be strictly enforced, as has hitherto emphatically been the case, requires no radical amendment or alteration, and, above all, calls for no wholesale abrogation in favour of total prohibition. On the same day that Sir William McGregor proclaimed British New Guinea a patt of His Majesty's dominions, the Ordinance was passed entitled "The Arms Liquor and Opium Prohibition Ordinance of 1888," and its provisions can be consulted in the file of the British New Guinea Government *Gazette* for that year. The next Ordinance was "The Liquor Ordinance of 1891." This is a somewhat elaborate measure, and dealt with the traffic in liquor in so far as the white contingent of the residents is concerned. It is largely modelled on the law in Queensland, and contains the same clause, enabling the police or friends of any person injuring himself, or herself, by the abuse of stimulants, "in mind, body, or estate," to publish a "Prohibition Order" from a Resident Magistrate, precluding such person from obtaining any liquor for a fixed period. This clause has been acted upon in one or two instances, and is not regarded as a "dead letter" by any means. This Ordinance also may be found in the *Gazette*. Finally, as the original Ordinance for interdicting the supply of liquor to natives, which includes "all coloured persons not of European descent," was deemed to deserve amendment, a supplementary Ordinance was added to our Statutes to penalize natives who accepted or otherwise procured liquor. The stringency of this last Ordinance is manifest to any one who cares to read its clauses. The local authorities and administrations have, therefore, from what I have stated, shown themselves most vigilant for twenty (20) years past in guarding against the evils and abuse that would undoubtedly follow the consumption of alcohol or opium by our Papuan fellow-subjects. Every step taken has likewise been taken with the full approval of the Queensland Government and H.M. Secretary of State for the Colonies, and it is not easy to see in consequence why the local Administration should be subjected to reflection on its previous policy and practice without any proof whatever of negligence or lack of due sense of responsibility in respect of legislation for the absolute prohibition of liquor for natives, and the due control of its disposal to white persons. The Lieutenant-Governor of the Possession is counselled by "The Native Regulation Board," his "Executive Council," and a "Legislative Council," and although it is true that some leading members belong to all these three bodies, they are not identical either in numbers or individuals. To deprive British New Guinea of

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powers that it has exerted for so long, without any apparent reason therefor, is, apart from any reflection on its Administrators, a reflection on the officials, who are sworn to advise conscientiously as to deliberations on all public matters. I have not dwelt upon the comparatively heavy loss to the British New Guinea revenue, since if the "new departure" advocated were plainly wise and right under all circumstances, it might be well, even at some public monetary sacrifice, to reconsider the economic side of the question. At the same time, I am unable to suggest an equivalent substitute for import duties, &c., on wines and spirits. That the attempt to suppress all traffic in liquor would create great temptation to smuggle and to illicit distillation is beyond a doubt. Not to mention others, the cocoanut palm, sugar-cane, and banana plants flourish everywhere, and will all produce fermented liquors, and unscrupulous white settlers would induce the natives to engage in such clandestine production. This would be, however, I think I have shown, an illicit trade on account of certain immigrants, for the Papuan aboriginal exhibits no taste or desire for fermented liquors, but is satisfied with the only mild stimulant that he knows and enjoys, viz., the chewing of betel-nut from the betel-nut palm, with lime. This has been a pleasure to his ancestors, and remains one in the present day. It has rather a stupefying effect, and after a long "chew" the mental powers seem dulled for a time, but the effect soon disappears.

I am sorry to have occupied so much time, but I think that those expressions of opinion by officials of high honour and integrity should carry some weight. I feel it my duty to oppose the clause, but I shall be justified in supporting the first part of Senator Pearce's amendment, to delete certain words.

Senator DOBSON (Tasmania).—We are engaged in the discussion of an important question of considerable delicacy and intricacy; but, notwithstanding the seriousness of the matter, the debate seems to have dragged somewhat. There are four questions presented to us: Are we in favour of local option, or do we prefer prohibition? Should we like to see Government control, or do we desire the present licensing system to be continued? The question of local option may be disposed of in a very few moments. When Senator Pearce was about to sit down I was on the point of interjecting that he had not done much to prove his case—that local option was in no degree applicable to the circumstances of Papua. But the interjection was not uttered, and Senator Pearce sat down without proving his case; and, in my opinion, Senator Smith, in his admirable speech, absolutely disposed of all the arguments in favour of local option. How honorable senators opposite can think that this Parliament is justified, under the guise of democratic local option, in giving over to 500 whites, men, women, and children, the decision of this most complicated question, I cannot understand.

Senator O'KEEFE.—Then why are we justified in enforcing prohibition?

Senator DOBSON.—I cannot understand how men with common-sense can propose to apply the democratic principle of local option to a Territory under Crown Colony conditions, which contains only 400 white souls, as compared with 400,000 black subjects. I should have thought that nothing could have justified this Parliament in delegating, under any pretence whatever, the important duty which devolves upon us. Senator Pearce gave us another argument, which showed the folly of the local option proposal. I agree with Senator Pearce that the chances are that the white population of New Guinea would vote for the drink traffic as at present conducted. There are the thirteen licensed stores and the seven public houses, and Senator de Largie has told us that he cannot conceive of the miners carrying on their work without drink. I should say that 90 per cent. of the white population would vote for the present conditions.

Senator PEARCE.—The alternative is prohibition or State control.

Senator DOBSON.—I regard local option as absolutely inapplicable. The next proposal is that there should be prohibition. Senator Neild said that he desired to take a practical view, and my desire is the same; but I come to an exactly contrary conclusion from that expressed by the honorable senator. I admit that we have the evidence of the missionaries, of the Administrator, and of the Government officials, to the effect that prohibition will not do, and that matters ought to be allowed to go on as at present. I should be very loth to disagree with that evidence, but I have some very good arguments for the course I intend to pursue. As a guide, we have the teachings of history, and the experience of mankind. We have lessons from every quarter as to the result of the drink traffic in places where there are few whites and a large number of natives. It appears to me that the Bishop and the missionaries have altogether disregarded the teachings of history. They seem to imagine that the drink question has no existence outside of the 500 whites and the 400,000 blacks in British New Guinea. They have no suggestion to

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make, except that prohibition ought not to be adopted. The good Bishop certainly makes a suggestion which I shall advocate if there is not prohibition, namely, that there should be Government control of the traffic. As to this, Senator Walker said that a great deal of the evidence is based on the fact that the laws in New Guinea are effective and properly administered. As the Attorney-General told us in his opening speech, such a state of things is rather like a miracle. I never knew licensing laws that were ever well administered; I never knew of drink being kept from natives when it was used by white men who lived amongst them. We have heard from Senator Smith that Papuans get drink at Thursday Island, and that at another island drink is also obtained by natives who are brought into contact with miners and pearl-fishers. We have evidence in regard to four different cases where natives have been brought into contact with the vice of the white man. Yet I am told I must swallow the advice of the Bishop and missionaries, and disregard experience which is almost as old as the world.

Senator MATHESON.—The honorable senator talks about the "vice" of the white man. He takes drink; does he call himself vicious?

Senator DOBSON.—I do not call myself vicious, but I call drunkenness one of the vices of the Anglo-Saxon race. I am afraid that the interjection of Senator Matheson does not help to elucidate this complicated problem.

Senator PEARCE. — Is Senator Dobson moderately vicious?

Senator DOBSON.—I am a very moderate drinker. If I could abolish drink from this earth I should do so; that is where my democracy would lead me. Not only are all the teachings of history against the evidence of the missionaries, but we have evidence in New Guinea itself that some of the evils which are inseparable from the drink traffic are rampant in the Possession. I pointed out in my second-reading speech that there is absolutely no record of the licences issued. The Administrator seems to have forbidden licences in a certain locality, and then, on a little agitation, to have withdrawn his prohibition. Amongst the 500 white people are women and children, and the missionary teetotallers; and yet there are thirteen store licences and seven public-houses, or one licensed place to every twenty-six of the white population. Such a record could not be found in other places peopled by the Anglo-Saxon race. Senator Smith gave one explanation, but not a complete explanation, of this fact. He said that the white settlers in New Guinea are so scattered that, in order to supply their wants, there must be a large number of licensed houses. If that be so, it only shows what a terrible place New Guinea will become if the present licensing system is permitted to continue. No doubt new mining fields will be discovered, new areas planted with cocoanuts, and other industries started, and there will be twenty-six more public-houses required for the additional 500 of population. We have heard of the good ordinances in regard to the liquor traffic; but what is the use of good laws if the administration is not effective? It is distinctly laid down that it is illegal to sell liquor in any less quantity than a quart; but there is a bar trade developing, and the law is broken every day.

Senator Sir JOSIAH SYMON.—Does the honorable and learned senator not think that it is erring on the right side to give a man a glass of liquor instead of a bottle?

Senator DOBSON.—The Attorney-General is very good at interjecting, but his question does not dispose of my argument. We all know that hard drinkers want half-a-dozen glasses, and it is no doubt better for them to have half-a-dozen little nobblers than half-a-dozen bottles. Even the good ordinance on which the Bishop relies is being broken day by day. As to that, we did not want his evidence; we might have known the fact. Senator de Largie has told us that miners must have drink, and we know that two-thirds of the white population are miners. What will be the state of New Guinea if we allow our present licensing system, with all its evils—its vested interests and its greed—to grow up in the Territory? If we cannot devise a better scheme we ought to be whipped. All these considerations lead me to support the clause. If ever there was a case in which prohibition should be tried, it is that of our new Territory. Honorable senators seem to be absolutely unaware of what is going on in New Zealand. There the women's vote has developed, as it will develop in Australia, and in many districts prohibition is enforced. In those districts the number of prosecutions for crime and drunkenness have fallen off, and we have before us an object lesson of the success of prohibition. Senator de Largie talks about the tyranny of the Labour Party, though I think that it was a wrong phrase for him to use. The honorable senator might as well talk about

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the tyranny of the women of New Zealand—the tyranny of the thousands of electors—who are sweeping away the temptation of drink from their white brothers and sisters. This is not a question of tyranny, but one of policy. With our temperance friends it is a matter of earnest conviction. Some of them have worked for a life-time in the temperance cause, but, of course, as this is one of the most complicated and delicate questions with which we have to deal, nearly every suggestion they make may be found fault with. The opportunity is now given for us to try prohibition in a new Territory. If it does not succeed it can be very easily altered. I venture to suggest that the arguments against it are more arguments on paper than anything else. We are told that illicit stills will be established, that spirits will be distilled from sugar-cane, and in other ways; that the people in German and Dutch New Guinea will send canoes and ships with liquor; and that smuggling will be carried on all along the coast. But in the same breath those who tell us these things admit that the natives of New Guinea have as yet acquired no taste for liquor, and do not like it.

Senator CLEMONS.—The smugglers will soon teach it to them.

Senator DOBSON.—If there is anything like good administration, and if there are good white and native police in British New Guinea, I do not think that smugglers will attempt to take drink to a place where, although there are 400,000 people scattered over thousands of square miles, they are people who have acquired no taste for drink, and absolutely dislike it. The two things will not hang together. I have no doubt that, although the persons who have been quoted have written sincerely and honestly of their fears of smuggling and illicit distillation, they have very grossly exaggerated the matter. If, as we are given to understand by Senator Smith, some of the natives who have been trained as constables have not acquired the taste for liquor, are doing good work, are taught the majesty of the law, that it is the boast of the Englishman that he abides by the law, and desires to follow that law-abiding example, they will very easily track out those who endeavour to smuggle hogsheads of beer and barrels of spirits into New Guinea. Senator Clemons is inclined to sneer at the idea of prohibition, and to suggest that prohibitive laws cannot be enforced. But I should like the honorable and learned senator to take into consideration the way in which various laws are carried out at our very door. Do we not know that we have laws here to put down gambling as well as drinking?

Senator GIVENS.—There are laws in Tasmania to encourage gambling.

Senator DOBSON.—We have tried to put down those evils, and we know that the law is not administered. Honorable senators may say that there is no harm in the licensing of public houses when we regulate them, and when it is impossible to get a drink on a Sunday, or after a certain hour at night; but we know that every one of these laws are broken every hour. I believe that if we had prohibition in New Guinea to-morrow, with anything like the vigilant administration which should be possible in a new community, there would be far less violation of that strict law than there is of the less strict licensing laws at our very doors in Melbourne, and in every capital of the Commonwealth. Persons who are resident in New Guinea have pointed out that there is a strict law in force in the Territory, but it is not properly administered. It has been pointed out that under the existing system natives are getting drink. We know that if the licensing system is continued, vested rights will be created, and when a wave of common-sense feeling later on demands the abolition of the old system, we shall probably have to pay down £50,000 to get rid of the licences. We know that millions of money will have to be paid to compensate licensees in Great Britain. We know that £50,000 is required to compensate thirty-six hotel-keepers in North Melbourne, and the Victorian Government cannot find the money for the purpose. Is it wise that we should leave this matter to officials who at the present time are issuing licences without keeping any record of them? Surely things are bad enough, without our trying to make them worse? We should endeavour to improve upon the existing state of things.

Senator CLEMONS.—Is the only unbreakable law a prohibition law, or is it as easily broken as are all the rest?

Senator DOBSON. It will be broken; but it will not be so easily broken as are other laws. That laws are broken is no argument why we should not pass them. My honorable and learned friend is aware that, although we know they are broken, we pass laws against gambling and to regu-

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. traffic in the various States of ..wealth.

Clemons.—I am endeavouring out that the proposed prohibition . . be broken.

..tor DOBSON.—I know that it will. .. are broken every hour in civilized ..bourne, but we do not on that account ..ase to make laws and to administer them, ..ough I admit that the police are very slow to administer existing laws. I desire most earnestly that we should try to secure a better system.

Senator Sir Josiah Symon.—We do not prohibit the possession of property because people steal it.

Senator DOBSON.—My honorable and learned friend is aware that that is not a relevant interjection. The drink traffic stands alone, and we can compare nothing else to it. If we continue for much longer to leave the drink traffic in the hands of men whose every incentive is to make as many men drunk as they can, and to sell as much liquor as they can, we shall be very unwise legislators. If we cannot carry prohibition, I hope we shall succeed in defeating the proposal for local option. If we cannot succeed in either of these matters, I shall certainly vote for Government control of the traffic. In this matter, I can honestly and conscientiously step forward and shake hands with my socialistic brothers. I do not desire to go too far with them, to break economic laws, and disturb social arrangements, but if ever there was an opportunity to show what can be done by Government control, we surely have it here? It will be like everything else. It will be an experiment. We might have weak officials by whom the Government control might not be properly administered, but every honorable senator must admit that there is here a splendid opportunity afforded to try the experiment of Government control, and I should hope that the administration will never make any worse mess of it than they are making of the existing licensing system.

Senator Clemons.—Surely we should have local option before we come to State control. Local option might stop the traffic altogether.

Senator DOBSON.—If we cannot carry prohibition, I hope that the Attorney-General will support State control of this traffic. It appears to me that by proper administration of the system proposed, we should be able to keep the liquor traffic really under control. I admit that that is done in no other place. We should prevent the creation of vested rights, and whatever profit may be derived—and the less, the better—would go into the public Treasury, and not into the pockets of private individuals who get rich at the expense, sometimes of the lives, and of the health, of their fellow-men.

Senator Sir JOSIAH SYMON.—Upon this question, I am perfectly free. I am not merely unmuzzled in regard to the expression of my own personal views; but also unfettered as to the vote I shall give. This clause is the result of an amendment moved in the other branch of the Legislature by a private member, and it is therefore an open question. Senator Dobson has rather mixed up the administration of the existing law—which may be a perfectly good law, badly administered—with questions of principle involved in the clause as it stands, and in the amendment proposed by Senator Pearce.

Senator Dobson.—Does the honorable and learned senator call the present licensing system a good law?

Senator Sir JOSIAH SYMON.—When my honorable and learned friend inveighed with so much eloquence and earnestness on the subject of maladministration he was entitled to this degree of sympathy, at any rate, that there is not one member of the Senate who would not be found standing shoulder to shoulder with him in endeavouring to secure the complete and thorough administration of the laws, as they stand on the statute-book. I do not think that maladministration to any serious extent has been proved. Careless administration does not condemn the laws under which it may have taken place, and when we are considering the necessity of improving the law, we should not be led away by reason of the fact that careless administration, which ought to be remedied, has taken place, into, perhaps, rashly changing the law as it stands. In the first place, it should be remembered that this is a Bill to establish a system of Government. This is a Bill for the purpose of framing a Constitution. I do not seek to influence any honorable senator by suggesting that this is a Government proposal, because it is not, nor does the opposition to it emanate from the Government, but in my view this is not a measure in which a provision of this kind should be introduced.

Senator Dobson.—Why?

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Senator Sir JOSIAH SYMON.—I think that this is a detail of local administration.

Senator TURLEY.—There was a proposal in the Government measure when submitted in another place dealing with the question.

Senator Sir JOSIAH SYMON.—Nothing of the kind.

Senator PEARCE.—There was a prohibition against supplying liquor to the native races, I think that was all.

Senator Sir JOSIAH SYMON.—Not in the Bill as originally introduced. I wish to make clear my individual views on the matter. I think this is the wrong place in which to endeavour to deal with the liquor traffic.

Senator STANIFORTH SMITH.—Does not the objection apply equally to the land legislation provided for?

Senator Sir JOSIAH SYMON.—I am not prepared to deny that.

Senator STANIFORTH SMITH.—The honorable and learned senator did not object to that.

Senator Sir JOSIAH SYMON.—In moving the second reading of the Bill, I indicated pretty clearly what my views are. The honorable senator is taking me somewhat off the track, but I may inform him that the provision with regard to land legislation was inserted by a very large majority when the Bill was before the House of Representatives last year. The Bill with that provision in it was adopted by successive Governments, and it was adopted by the present Government in the form in which it stood at the time they came into office. I take a strong view on the subject, but whatever view is taken with respect to the provision dealing with land legislation, it is not in the same position as the provision with regard to the liquor traffic. I say that this is no place for a provision of this kind. We are not entirely bound by precedents, but I am not aware of any precedent in a Bill establishing a Constitution for a Dependency such as this Territory is, for dealing with matters of detail in relation to the liquor traffic. We are creating a legislative body for the express purpose of dealing with all these matters that are really matters of local government.

Senator GIVENS.—But the supreme Parliament can surely give a direction to the subordinate legislative body?

Senator Sir JOSIAH SYMON.—We have power to do it, but I point out that legislation on this, or any other subject of local interest should be left to the legislative body we are creating under this Bill.

Senator GIVENS.—We have a perfect right to refuse to delegate this power to that body.

Senator Sir JOSIAH SYMON.—We have a perfect right to legislate on this question in any way we choose.

Senator BEST.—We may impose such limitations as we think proper.

Senator Sir JOSIAH SYMON.—I am not suggesting that we may not, but I am contending that it is not customary in framing a Constitution to tie the hands of the people to whom the Constitution is given, in the management of their local affairs.

Senator BEST.—Yes, to some extent it is so.

Senator Sir JOSIAH SYMON.—I know of no instance.

Senator BEST.—The imposition of differential duties was prohibited by the State Constitutions. The principle is the same.

Senator Sir JOSIAH SYMON.—When I come to think of it, honorable senators might as well establish an early-closing law.

Senator GIVENS.—Our power to deal with the question of conciliation and arbitration is limited in the Constitution.

Senator Sir JOSIAH SYMON.—Yes. Honorable senators can embody in this Constitution anything they like. They can make a provision in regard to sanitation or the clothing of the natives. They can say that no native shall be allowed to walk in the streets of Samarai without wearing a tall hat. Really, when we are dealing with the Constitution we should keep as well as we can within the limits of the purposes to which the Bill is devoted. There is a great deal more weight than perhaps honorable senators would otherwise think in the view that was strenuously put by Senator Pearce, namely, that it is a very serious thing to interfere with the social and ordinary life of the white residents by an Act of the Commonwealth Parliament without any representation. I shall resist any attempt of that kind now and on any other occasion.

Senator BEST.—Is it not a much more serious matter to delegate to white residents the power of dealing with 400,000 people?

Senator Sir JOSIAH SYMON.—My honorable friend is mistaken.

Senator BEST.—That is the proposition before the Chamber.

Senator Sir JOSIAH SYMON.—With great respect to my honorable friend, it is not.

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Senator BEST.—The local option provision is before the Committee.

Senator Sir JOSIAH SYMON.—My honorable friend is entirely mistaken. When Senator Smith states that we are legislating for the natives I beg leave, with the greatest respect, to deny his statement. The natives are protected by existing legislation in a most complete fashion.

Senator BEST.—Which may be revoked by this Bill.

Senator Sir JOSIAH SYMON.—My honorable friend is now shifting his ground with the greatest agility. What I am dealing with is the proposition which is put forward as a reason why we should agree to prohibition, and that is that we are legislating for the natives. We are not doing anything of the kind, because the natives are legislated for under the General Liquor Ordinance, and the Arms, Liquor, and Opium Prohibition Ordinance.

Senator DOBSON.—We think we can improve upon that legislation.

Senator Sir JOSIAH SYMON.—I intend to point out how my honorable friends are going to improve upon it. Of course, if we are led away by the idea that we are legislating for the natives, and that there is no existing legislation to protect them from the evils of strong drink, we may do a great wrong to the whites. Those for whom we are legislating under this prohibition clause are not the 400,000 natives, but the 400 or 500 white settlers. My honorable friends wish to bar the admission of "intoxicants," whatever that term may mean.

Senator BEST.—That does not affect the natives.

Senator Sir JOSIAH SYMON. — Of course it does not.

Senator BEST.—Exactly, and that is all that was said.

Senator Sir JOSIAH SYMON.—My honorable friends have legislated in every possible way to protect them, and if they desire to legislate further I, for one, am willing to assist them. But the provision in the Bill is not intended in the interests of the natives. It is intended as a ban on the white settlers. It is a declaration by the Commonwealth Parliament, in which those men are not represented, that they are never to be trusted with the regulation of their liquor traffic. I hope that we shall be no party to anything of that kind.

Senator O'KEEFE.—It is saying that they have not as much self-respect as the members of the Senate.

Senator Sir JOSIAH SYMON.—It is saying a great deal more than that. It is saying that we intend to shut them up in the Territory, just as if they were in a gaol, where they are only to be fed on skilly and water, and they are not to have the opportunity which, as free men, they ought to have, of saying whether they want liquor or not. Senator Smith wound up his speech by saying, "The question is whether it is desirable to keep liquor from the natives." We all say, "Amen, certainly"; but that is not the question we are dealing with. Then he asked, "Will the legal prohibition effect that end or aggravate it?" That is not the other question he ought to have put. He ought to have asked, "Is it necessary to keep drink from the whites?"

Senator BEST.—He was only arguing that prohibition limited the temptation to the natives.

Senator Sir JOSIAH SYMON.—What my honorable friends are going to do is to prevent the intrusion of a single drop of liquor into the Territory for scientific or manufacturing purposes.

Senator GRAY.—What manufacturing purposes can it be wanted for?

Senator BEST.—Oh, he knows that it will not be wanted for manufacturing purposes.

Senator Sir JOSIAH SYMON.—Has my honorable friend read the clause?

Senator BEST.—Yes.

Senator Sir JOSIAH SYMON.—Does it not say that liquor can only be used for medicinal purposes? A man cannot preserve a snake, because the Lieutenant-Governor has no power to authorize the sale of liquor to him.

Senator DOBSON.—They will soon get round that part of the law.

Senator KEATING.—Perhaps the Lieutenant-Governor might have a very liberal interpretation of the phrase "medicinal purposes."

Senator Sir JOSIAH SYMON.—That is what is generally the case. It will be very easy, as honorable senators will see, for a man to go to some place where liquor is kept—under Government control, if they like—and say that he feels rather "off colour," and on the strength of that statement to get a drink, because there is no definition of a medical practitioner in the clause. There is no provision that a man is to drink the liquor in the presence of the Lieutenant-Governor; he may take it home with him. Does Senator Dobson think

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that the clause will effect his desire to secure prohibition?

Senator DOBSON.—Better than the present licensing system.

Senator Sir JOSIAH SYMON.—Oh, no.

Senator BEST.—Under proper regulations, it will go a very long way in that direction.

Senator DOBSON.—The Attorney-General can put in the manufacturer and the snake if he wishes.

Senator Sir JOSIAH SYMON.—Whoever drafted the provision was trying to make an experiment on the Parliament.

Senator DOBSON.—Improve it for us.

Senator Sir JOSIAH SYMON.—It is beyond possibility of improvement. It says—

> No intoxicants or opium shall be imported into or manufactured in the Territory—

What are intoxicants? There is no definition of the term.

Senator BEST.—That can be easily remedied.

Senator Sir JOSIAH SYMON.—Then the clause as it stands will not do.

Senator BEST.—Senator Pearce's definition will answer very well.

Senator Sir JOSIAH SYMON.—At any rate, neither intoxicants nor opium may be imported. If a man is feeling a little sickly when he gets into the region of this malarial fever, he cannot take ashore with him a bottle of some beverage, nor can he manufacture a supply. The natives, I believe, manufacture a kind of spirit. Are they to be prevented from manufacturing a supply? A man is not to be permitted to manufacture intoxicants—

> except by written permission of a person duly authorized by the Lieutenant-Governor, and under regulations and conditions to be prescribed by the Lieutenant-Governor, including a provision that such importation or manufacture shall be for medicinal purposes only.

There is no power to allow the manufacture of spirits in the Territory for the purposes of methylation. The Lieutenant-Governor has only power to allow its use for medicinal purposes. The whole atmosphere will be full of lies. A man will simply make a representation that he wants liquor for medicinal purposes, and it can only be supplied on the order of a medical practitioner.

Senator BEST.—Accepting the honorable and learned senator's argument to the fullest extent, is it not the duty of the Senate to make any amendment which it may deem necessary?

Senator Sir JOSIAH SYMON.—It cannot be done.

Senator BEST.—We can allow the use of liquor for scientific purposes.

Senator Sir JOSIAH SYMON.—I am dealing with the clause which Senator Dobson says is first rate.

Senator DOBSON.—These two additions would be improvements.

Senator Sir JOSIAH SYMON.—They would be improvements, but how would my honorable friend define "medical practitioner"? Who is to give the order?

Senator DOBSON.—The clause says it may also be given by a "person duly authorized by the Lieutenant-Governor."

Senator Sir JOSIAH SYMON.—I did not notice that it provided for any one but a medical practitioner giving an order.

Senator DOBSON.—Does not the honorable and learned senator know that very often the storekeeper is the chemist and doctor too?

Senator Sir JOSIAH SYMON.—To sum it all up, what do my honorable friends propose to do at the end of this clause? They propose to repeal—

> every ordinance passed before the commencement of this Act providing for or permitting the importation, manufacture, sale, or disposal of intoxicants or opium in New Guinea.

The effect will be to repeal all those ordinances in which there is any provision dealing with liquor, although they contain a number of absolutely essential provisions in regard to arms, ammunition, and all that kind of thing.

Senator DE LARGIE.—The clause is as good as a bit of comic opera.

Senator Sir JOSIAH SYMON.—It is. A man is to be allowed to have a bottle of liquor on the order of a medical practitioner. A friend is suddenly taken ill in his house, and cannot be given a glass of grog to put him right without the authority of the Lieutenant-Governor or a medical practitioner. That is the sort of clause which some of my honorable friends think is worthy of a place in the Constitution of the Territory, and worthy of the assent of the Commonwealth Parliament.

Senator BEST.—Which came from the other Chamber, where it was passed by a large majority, and which, therefore, ought not to be ridiculed. All that is necessary is to amend it.

Senator Sir JOSIAH SYMON. — It shows the earnestness and sincerity of our teetotal friends.

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Senator Gray.—No one has found this out but the honorable and learned senator.

Senator Sir JOSIAH SYMON.—It seems to me that "he who runs may read." At any rate, the object of the Bill is to keep liquor, not from the natives, but from the whites, and I shall vote for the amendment of Senator Pearce. I shall oppose this prohibition, whether there is anything substituted for it or not, because I think it would be a blemish on the Bill. The least we can do is to intrust legislation on these matters to the legislative body we are creating. Anything will be better than prohibition. I would ask Senator Pearce to consider whether it is desirable to introduce this system of local option. It would be exceedingly difficult to carry it out in a country with a scattered population. In the next place, we shall have practically local option to a certain extent, under this system of government, because we shall have it subject to the legislation of the Legislative Council. Then again, the legislation passed will be entirely under the control of the Commonwealth, so far as it concerns the exercise of the power of veto. It is not as though the Commonwealth was giving up its control over the Possession. In the next place, it would be very much better to leave the law as it stands for the present. It is a stringent law. Do not let us try to tinker with it. It is a complicated matter to arrange for a local option poll in a country like New Guinea. The whole machinery will require careful manipulation. I am not prepared to leave the arrangements for such a poll to be governed by regulations made by the Lieutenant-Governor, when they ought to be under an ordinance, or embodied in some form of direct legislation.

Senator Pearce.—Does not the honorable and learned senator think that it would be done by ordinance if we left it to the Legislative Council?

Senator Sir JOSIAH SYMON.—I ask my honorable friend to consider whether it would not be better at present to leave the stringent law now existing on the Statute-book, securing as I hope we shall do, a more efficient administration than there has been in the past. If that course be taken, everything that we desire will be secured. I thoroughly agree that legislation of this character would simply encourage illegal action and smuggling. Nothing could be stronger than the testimony of the resident magistrate, Mr. Campbell, on that subject. We cannot lay too much stress upon what he says. He deals with the question of revenue. That is a comparatively small matter. But he also says that—

> a law totally prohibiting the importation of alcoholic liquor into the Possession would defeat the very object for which such law was made. . . . . Liquor would be smuggled into the Possession or manufactured in an illicit manner, and the authorities would be utterly powerless to cope with the evil. The very nature of the country, its large population of natives as against its small number of whites, the innumerable small and hidden bays, rivers, and creeks, the deep and isolated ravines and gullies, would be all in favour of the offender as against the authorities.

It must also be remembered that the police are natives, and that they would be set to cope with this difficult question of liquor smuggling. Undoubtedly, attempts would be made to bribe them, or to drug them by administering liquor, and the difficulties in this direction would perhaps be too great to be overcome.

> The dishonest European, so as to prevent discovery himself, would employ natives to run his boats, or employ them and their canoes to carry his cargo or contraband. He could obtain hundreds of natives as runners over the German and British boundary line on the one side, and the Dutch and British boundary on the other, over which it would be impossible for a small army of officials to keep an efficient watch. He would probably teach the native to distil liquor in the ravines and gullies, and bring it to him at convenient times.

I do not believe that any one of us would hesitate to say that that is a true statement of the possibilities. So long as we have stringent laws preventing the natives from being brought under the evil influences of liquor, we may rest content, and may well abstain from inserting such a provision in the Constitution of the Possession.

Senator CLEMONS (Tasmania).—I shall occupy a very few minutes in expressing my views upon this question. I intend to oppose the clause first of all, because it is hopelessly ill-drawn. The draftsmanship is execrable, and there are about one hundred holes through which to creep. One of the first criticisms I would offer is that as the clause stands at present, practically any person professing himself to be a medical man, whether he was a quack or a duly qualified practitioner, could enter into an unholy alliance with a man who knew how to distill, or to smuggle liquor into New Guinea, and could sell as much of it as he liked. Excellent opportunities for partnerships of that kind would be offered by the clause. A medical man could import a hundred hogsheads of whisky per day, and

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sell it to whoever chose to purchase it. The clause would enable that to be done. My own opinion with regard to the liquor question in British New Guinea is this: First of all, there can be no penalty too great to enforce against any one who would supply natives with liquor I am against allowing them to have it under any circumstances. There can be no legislation too drastic for me in that respect. I intend to vote to enable the white residents to decide for themselves whether they will allow drink in the Possession. If the white inhabitants do not desire to exclude liquor, I am not going to try to prevent them from having it. If, however, a local option poll is taken, and it is decided by the white people that liquor shall be introduced, I would then go further and place the traffic entirely under State control.

Senator MULCAHY.—Where is the logic of agreeing to local option if prohibition cannot be enforced?

Senator CLEMONS.—I am in favour of prohibition if a majority of the white inhabitants say that they prefer that the importation of drink shall be prohibited.

Senator GIVENS.—We can enforce prohibition, if the white inhabitants are favourable to it, but not otherwise.

Senator CLEMONS.—Precisely; if the white people in British New Guinea are favorable to prohibition, there is no doubt that we can enforce it. In the first place, I intend to vote to reject this clause; secondly, to give local option to the white people of British New Guinea; thirdly, if the white people decide to have liquor, I shall vote to hand the traffic over to State control; and, fourthly, I will add, there can be no clause in this Bill too stringent, in my opinion, to prevent any liquor being supplied to the natives.

Senator Sir JOSIAH SYMON.—We have a stringent provision already.

Senator CLEMONS.—But the law in that respect cannot be too stringent, and if any honorable senator proposes an amendment to make the penalty greater, I shall vote with him.

Senator GUTHRIE.—Even if the 500,000 natives do not favour prohibition?

Senator CLEMONS.—Yes, I shall do my best to prevent them from having a drop. The statement has been made that every missionary in British New Guinea, with the exception of one, is against prohibition.

Senator MULCAHY.—They do not say they are against it, but that it is impracticable.

Senator CLEMONS.—That is enough for me. I am not a man who wants to see impracticable things made law. I am quite satisfied if prohibition is impracticable to vote against it. And the missionaries agree that it is impracticable. I also have several excellent examples to follow. One is Mr. Deakin. I mention him, not because he is Mr. Deakin, but because I find at the top of a circular sent to me by the temperance people, that he is the vice-president of the Temperance Association. I have been perusing *Hansard*, and I find that Mr. Deakin is strongly against this prohibition clause. I also have to recognise the fact that the honorable senator who has moved an amendment, with the object of destroying the prohibition clause, is himself as earnest a teetotaller as I have ever known. I hope he will not object to my introducing his personal affairs into this debate, but we all know that although Senator Pearce is a teetotaller, he earnestly and honestly objects to this prohibition clause. I also have to recognise the strange fact that those who are so keenly favorable to prohibition in British New Guinea are not by any means the sort of people who would endeavour to bring about prohibition in any shape or form by means of legislation in Australia. So that I am in very good company in being with a teetotaller who objects to prohibition for British New Guinea, and against people who are not teetotallers, but who support it.

Senator GRAY (New South Wales).—I have some knowledge of those who have spent many years in the Pacific Islands, who have had large experience, and who are likely to know a great deal as to the conditions which prevail not only in British New Guinea, but in the Pacific. I, therefore, feel that I may very well address a few words to the Committee upon this subject. I may add that the firm in which I am interested not only has a large connexion with British New Guinea and the Islands, but is increasing its trade very rapidly. If I felt that any vote of mine would materially injure the inhabitants and the traders, I should be the last to give it. But there appears to be some misunderstanding upon the question. First of all, British New Guinea is not malarial.

Senator WALKER.—Oh! isn't it?

Senator GRAY.—There is malaria in New Guinea, but it is accidental. I do

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not think there is more malaria there than there was in Australia when it was discovered. There are swamps, valleys, and other places on the sea-shore where malaria exists, but the fever in New Guinea is not severe. In fact, many of the residents have told me that they would sooner have the fever than the influenza which we get.

Senator WALKER.—Black-water fever is very bad.

Senator GRAY.—Perhaps I may be somewhat biased in regard to the question at issue. Although not a teetotaller in the strict sense of the term, I have been able to do without spirituous liquors for over fifty years, and I do not think that my health has depreciated on that account. I have, however, had a large experience of those who do take liquor, and I am convinced that in New Guinea more people have suffered from drink than have been cured by its use. I congratulate the Government on their courage in taking over the administration of New Guinea, and I hope that in the future further opportunities will be taken to establish vested interests in other islands of the Pacific. We have a population in our new Possession of 400,000 coloured people, whose forefathers have for centuries lived in healthy conditions without the use of alcohol. Whilst I have, if anything, a greater admiration for the Attorney-General now than I had before I knew him personally, I must say that in connexion with this clause he has treated the Chamber with scant courtesy. At the eleventh hour he pulls this clause to pieces, and endeavours to show that it is inapplicable to New Guinea. The honorable and learned gentleman knew that the clause was passed by a majority of thirteen in another place, and yet he listened to all the speeches in this Chamber without placing us in possession of the facts. He should remember that business men are not lawyers, and that the two classes may come to diametrically opposite conclusions as to the interpretation to be given to any particular provision. I had hoped that the Commonwealth, in its initiation of a colonizing policy, would have made humanitarianism the first object—that the welfare of the black people would have been the first consideration. Not a single honorable senator has shown one reason why there should not be prohibition. It is suggested that the white people in New Guinea should be allowed to continue a habit which affords them pleasure, and with which I do not find fault so far as it affects themselves; but, if there be prohibition in the case of the blacks, the latter can scarcely help regarding the white people as humbugs, and any drunkenness they see they will regard as indecent. Those who have read Fenimore Cooper's novels will remember how the old chiefs, with tears in their eyes, implored the white men to keep the liquor away from the Indians. If the figures we have heard quoted are true, the 400 white men in British New Guinea must be the most drunken set of men on the face of the earth. They absolutely consume thirty gallons per head in the course of a year; indeed, they might have a bath every morning in the quantity of liquor which is imported. While we may not obtain prohibition, I hope we shall do so at some future time.

Question—That the words proposed to be left out be left out—put. The Committee divided—

Ayes	17
Noes	9
Majority	8

AYES.

Baker, Sir R. C.	Neild, J. C.
Clemons, J. S.	O'Keefe, D. J.
Drake, J. G.	Pearce, G. F.
Gould, A. J.	Pulsford, E.
Higgs, W. G.	Stewart, J. C.
Keating, J. H.	Story, W. H.
Matheson, A. P.	Symon, Sir J. H.
McGregor, G.	*Teller.*
Mulcahy, E.	de Largie, H.

NOES.

Best, R. W.	Smith, M. S. C.
Dobson, H.	Styles, J.
Gray, J. P.	Turley, H.
Guthrie, R. S.	*Teller.*
Henderson, G.	Dawson, A.

PAIRS.

Walker, J. T.	Macfarlane, J.
Playford, T.	Zeal, Sir W.
Findley, E.	Croft, J. W.
Givens, R.	Fraser, S.

Question so resolved in the affirmative.

Progress reported.

ADJOURNMENT.

MARSHALL ISLANDS.

Motion (by Senator Sir JOSIAH SYMON) proposed—

That the Senate do now adjourn.

Senator STANIFORTH SMITH (Western Australia).—I desire to say a few words with regard to the action of the German authorities in the Marshall Islands. When the British ship *Ysabel* first called at the Marshall Islands, a fee of

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£225 was demanded for the first month, and another fee of £7 10s. per day after the expiration of that period, or at the rate of £2,727 per year. On a second visit, a similar fee was levied. When the *Ysabel* returned to Jaluit last month, the representative of the shipping company was informed that the fees had been doubled, and now an export duty of 30s. per ton has been imposed. Those facts are admitted by the representative of Germany in Australia. Those fees are in direct contravention of the treaty obligations entered into between the Governments of Great Britain and Germany. Extracts from the Treaty will show that the German authorities have no right to make any difference between British ships and their own ships trading to Marshall Islands. The following agreement between Great Britain and Germany was entered into on the 10th April, 1886:—

Declaration relating to the reciprocal freedom of trade and commerce in the German and British possessions and protectorates in the Western Pacific:—

The Government of His Imperial Majesty, the German Emperor, and the Government of Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, having resolved to guarantee to each other, so soon as the German and British spheres of influence in the Western Pacific have been demarcated, reciprocal freedom of trade and commerce in their possessions and protectorates within the limits specified in the present declaration, the undersigned, Count Herbert Bismarck, His Imperial Majesty's Under Secretary of State for Foreign Affairs, and Sir Edward Baldwin Malet, Her Britannic Majesty's Ambassador Extraordinary and Plenipotentiary, having been duly empowered to that effect, have agreed on behalf of their respective Governments to make the following declaration:—

The PRESIDENT.—Is not the honorable senator debating the question dealt with in the following order of the day appearing on the paper:—

Australian Trade with German Pacific Islands. —Adjourned debate on the question—"That, in the opinion of the Senate, the Government should take all steps possible to counteract the great injury that will result to Australian trade if the evident intention of the German Government to establish a monopoly for German traders in their Pacific Islands is carried into effect."

If the honorable senator is debating that question he is not at liberty to do so.

Senator STANIFORTH SMITH.—I submit that I am not doing so. That motion was framed on the supposition that Germany had the right to do what she is doing.

The PRESIDENT.—It has seemed to me that the honorable senator is discussing the same subject-matter.

Senator STANIFORTH SMITH. — Since that motion was submitted documents have come into my possession which show that Germany has not the right to take the action referred to, and I am therefore now discussing a matter which is not dealt with in the order of the day.

The PRESIDENT. — The honorable senator must see that if, on a motion for the adjournment, it is competent for honorable senators to debate a matter which has previously been under discussion, and the debate on which has been adjourned, we might as well do away with our standing order altogether. If the honorable senator assures me that he is debating quite a different question, I must accept his assurance and allow him to continue, but it has seemed to me that he is debating the same matter.

Senator STANIFORTH SMITH.—I contend that this is quite a different matter. I am dealing with the question of treaty obligations, whilst in the motion referred to I dealt with the question whether we should take certain action of a retaliatory nature, in order to counteract the action taken by German officials in regard to the Marshall Islands.

Senator HIGGS.—I wish to raise a point of order. It is that the honorable senator is anticipating discussion on an order of the day which appears on the notice-paper. The subject-matter with which the honorable senator is now dealing refers to the Marshall Islands and the action of the Jaluit Company in imposing certain restrictions upon Burns, Philp, and Co., which formed the basis of the order of the day to which I refer.

The PRESIDENT.—I must confess that it appears to me that Senator Smith is discussing a motion which has already been partly discussed, and the debate on which has been adjourned. I cannot appreciate the distinction which the honorable senator draws.

Senator STANIFORTH SMITH. — The matter dealt with in the order of the day is quite dissimilar from the matter which I desire to discuss.

The PRESIDENT.—The question is whether the honorable senator is discussing the same subject-matter.

Senator STANIFORTH SMITH. — I am now discussing your suggested ruling that I

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shall not be allowed to continue my remarks. The order of the day deals with the question whether we should take certain retaliatory action in order to counteract the action taken by the German authorities, which is prohibitive of Australia shipping trade with the Marshall Islands. I am not now proposing to discuss that question. I merely desire to read a treaty which shows that the German authorities have in this matter done certain things illegally. The two subjects are quite dissimilar, and as the quotation which I wish to read is very short, I hope I shall be allowed to deal with it.

The PRESIDENT.—If the honorable senator will confine himself to the reading of the treaty, I shall not interfere.

Senator STANIFORTH SMITH.—The quotation I proposed to make proceeds—

1. For the purpose of this declaration, the expression "Western Pacific" means that part of the Pacific Ocean lying between the 15th parallel of north latitude and the 30th parallel of south latitude; and between the 165th meridian of longitude west and the 30th meridian of longitude east of Greenwich.

2. The Government of His Majesty the Emperor and the Government of Her Britannic Majesty agree that the subjects of either State shall be free to resort to all the possessions or protectorates of the other State in the Western Pacific, and to settle there, and to acquire and to hold all kinds of property, and to engage in all descriptions of trade and professions, and agricultural and industrial undertakings, subject to the same conditions and laws, and enjoying the same religious freedom and the same protection and privileges as the subjects of the Sovereign or Protecting State.

3. In all the German and British possessions and protectorates in the Western Pacific the ships of both States shall, in all respects, reciprocally enjoy equal treatment, as well as most favoured nation treatment; and merchandise of whatever origin imported by the subjects of either State, under whatever flag, shall not be liable to any other or higher duties than that imported by the subjects of the other State or of any third Power.

4. All disputed claims to land alleged to have been acquired by a German subject in a British possession or protectorate, or by a British subject in a German possession or protectorate prior to the proclamation of sovereignty or of protectorate by either of the two Governments, shall be examined and decided by a mixed Commission to be nominated for that purpose by the two Governments. The claim may, however, be settled by the local authority alone, if the claimant to the land makes formal application to that effect.

5. Both Governments engage not to establish any penal settlements in, or to transport convicts to the Western Pacific.

6. In this declaration the words "possessions and protectorates in the Western Pacific" shall not include the Colonies which now have fully constituted Governments and legislatures.

The present declaration shall take effect from the date of its signature.

Declared and signed in duplicate at Berlin, this 10th day of April, 1886.

(L.S.) GRAF BISMARCK.
(L.S.) EDWARD B. MALET.

I should like to point out that the Anglo-German Convention, dated November, 1899, after reciting certain islands, which are transferred from Germany to England, confirms the Agreement of 1886, in the following words:—

It is also understood that the stipulation of the declaration between the two Governments signed at Berlin on the 10th April, 1886, respecting freedom of commerce in the Western Pacific, apply to the islands mentioned in the aforesaid Convention.

I do not know whether I shall be in order in asking the Government to take steps through the Secretary of State for the Colonies, to see that the *status quo ante* is preserved, while this matter is being settled diplomatically, otherwise injury will be done to Australian shipping, whilst the matter is the subject of diplomatic negotiation. I ask the Government to take steps to insure that Australian trading with these islands shall be allowed to continue until the matter is finally decided between the two Powers.

Senator HIGGS (Queensland).—I wish to say that it is somewhat unfortunate that Senator Smith should have raised this question at a time when there is a proposal before this Parliament to grant a subsidy of £12,000 to Burns, Philp, and Company.

The PRESIDENT.—The honorable senator cannot discuss the question of the payment of a subsidy to Burns, Philp, and Company. Senator Smith advisedly confined his remarks to the fact that a certain treaty which he quoted had been made, and an assertion that its terms had been broken.

Senator HIGGS.—I wish to point out that although no one can approve of the treatment meted out to Burns, Philp, and Company, by the Jaluit Company, the latter company has only been doing what Burns, Philp, and Company would do in similar circumstances.

The PRESIDENT.—The only matter before the Senate is the treaty to which reference has been made by Senator Smith, and Senator Higgs must be aware that it has nothing to do with Burns, Philp, and Company, or any other company.

Senator HIGGS.—The Jaluit Company will treat the vessels of other nations in

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the same way as they treat British vessels. Great Britain has in this matter no right to demand more than the most favoured nation treatment, and I understand that the same treatment is meted out to all other nations alike by the Jaluit Company, which appears to have obtained control of the Marshall Islands. In their administration of the islands, they have tried to get at Burns, Philp, and Company.

The PRESIDENT.—The honorable senator should not discuss that matter.

Senator HIGGS.—I think that Senator Smith mentioned the treatment meted out to Burns, Philp, and Company.

Senator STANIFORTH SMITH.—Only in reply to an interjection.

Senator HIGGS.—The honorable senator quoted the licence-fees charged to the *Ysabel*, and I wish to point out that Burns, Philp, and Company do exactly the same kind of thing when dealing with the smaller British traders.

Question resolved in the affirmative.

Senate adjourned at 10.42 p.m.

House of Representatives.

Wednesday, 7 December, 1904.

Mr. SPEAKER took the chair at 10.30 a.m., and read prayers.

PETITION.

Mr. KELLY presented a petition from a conference of the master bakers of the Commonwealth praying that a Royal Commission be appointed, or other inquiry made, to ascertain the probable effect of the passing of the Conciliation and Arbitration Bill before such Bill is passed.

Petition received.

PAPER.

Mr. REID laid upon the table the following paper:—

Transfers of amounts approved by the Governor-General in Council under the Audit Act, financial year 1903-4, dated 6th December, 1904.

LOCOMOTIVE TENDERS.

Sir WILLIAM LYNE.—I desire to ask the Prime Minister whether his attention has been directed to a statement which has appeared in the press in connexion with the tenders for locomotives for New South Wales to the effect that a tender has been received from South Australia at a price some £30,000 or £40,000 less than the tender from the Clyde Works in New South Wales, the reason given being that the wages paid in South Australia are much lower than are the wages paid in New South Wales. I wish also to ask the right honorable gentleman whether there is any public document in his hands, or in the hands of any member of the Government, which will show the rate of wages paid in this industry in New South Wales, and in South Australia, and whether, if there is, the right honorable gentleman will have the paper laid on the table of the House.

Mr. REID.—I have not seen the statement referred to, and, if it is true, I can only sympathize with the workers of South Australia. With reference to the main object of the honorable gentleman's question, I shall get information on the subject, and lay it on the table of the House.

Mr. GLYNN.—Referring to the question asked by the honorable member for Hume, I wish to ask the Prime Minister whether he is aware that any comparison of the wages paid in the particular establishment to which the honorable member for Hume has referred—and, I presume, it is Messrs. Martin, of Gawler—is affected by the fact that a portion of the wages of employés in that factory may be represented by an interest upon profits—that the employés may be partly shareholders?

Mr. REID.—I am glad that my honorable and learned friend has asked that question, because it would be proper in securing information of the kind suggested to make inquiries into the true position of the workers in both States. I shall endeavour to get full information on the subject.

Mr. CARPENTER.—The workmen at Martin's get no profits whatever.

Mr. GLYNN.—I should like to refer again to the question which I put arising out of the question of the honorable member for Hume, because some misunderstanding appears to have arisen. I took it that the honorable member for Hume, in asking the Prime Minister whether the wages paid in the establishment of one South Australian company were lower than those paid in New South Wales, wished that tenders should not be accepted if they came from South Australia on that ground.

Sir WILLIAM LYNE.—I did not say anything of the kind.

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Mr. GLYNN.—That, naturally, was the import of the honorable member's question. What I asked was that all the circumstances connected with the tenders should be taken into consideration, particularly those under which the men had an interest in the profits. I do not wish to infer that they receive a share of the profits, but I was counsel for them in objecting to their being compelled to take out a certain proportion of their wages in shares, and I do not wish them to be doubly penalized through loss of work caused by rejection of the tenders.

Mr. SPEAKER.—What is the question which the honorable and learned member asks?

Mr. GLYNN.—Before the Prime Minister interferes with the tender which has been accepted on the ground mentioned by the honorable member for Hume, I wish to know whether he will consider all the circumstances?

Mr. REID.—As I said before, I intend to lay all the information upon the table, and, in doing so, it will be my duty to make it as complete as possible. I have heard it stated that the firm referred to may have some project for making these locomotives in New South Wales, in which case the matter would assume another aspect.

Sir WILLIAM LYNE.—The statement published was that they must make them in South Australia.

Mr. REID. — I am having inquiries made, and will give as much information as possible.

MANUFACTURES ENCOURAGEMENT BILL.

Sir WILLIAM LYNE.—I wish to know if the Prime Minister can state when it is likely that an opportunity will be given to push forward the Manufactures Encouragement Bill? I may state that owing to a bereavement in his family, the honorable gentleman who has recently had charge of the measure asked me whether I would take his place when it was brought on.

Mr. REID.—The honorable gentleman who has recently been in charge of the Manufactures Encouragement Bill came to me and mentioned a family bereavement, in connexion with which I am sure we all sympathize with the honorable gentleman.

HONORABLE MEMBERS.—Hear, hear.

Mr. REID.—And it was arranged between the honorable gentleman and myself that in view of the fact that the honorable member for Hume had previously been in charge of the measure, he should be asked to take charge of it again, in his absence. The Government make no objection to that at all. I will intimate to the honorable member for Hume later in the day some information on the subject. I cannot at this moment answer the honorable gentleman's question.

SUNDAY WORK AT KEPPEL BAY AND FLAT TOP.

Mr. MAUGER.—I wish to ask the Minister of Trade and Customs, viewing the innovation, as I do, with great alarm, whether he will make it clear and plain that he is not establishing a precedent to be followed under any conditions whatever in other parts of the Commonwealth by allowing Sunday work in connexion with shipping?

Mr. McLEAN.—The question has been gone into very carefully, and it has been recognised by my predecessors, as well as by myself, that Sunday work should be discouraged as much as possible, and should be permitted only in the most extraordinary circumstances. But there are two of the northern ports of Queensland where the tidal conditions are such as to render it imperative that Sunday work should be done occasionally.

Mr. McDONALD.—What ports are those?

Mr. McLEAN.—Keppel Bay and Flat Top. They are open roadsteads.

Mr. McDONALD.—They are right out in the ocean.

Mr. McLEAN.—When the right honorable member for Adelaide ha charge of the Customs Department he was strongly opposed to Sunday work, and would not permit it under any conditions unless it could be shown that the greatest loss and inconvenience would result from the refusal of such permission. The right honorable gentleman permitted Sunday work at the ports to which I have referred. I have been considering the matter ever since I came into office, and my immediate predecessor, who also went into the matter, granted the permission at one of these places, up to a certain date, and refused it at the other. After going fully into the matter, I found that the conditions were in both cases the same, that they were both tidal ports and open roadsteads, where the ships could not stay outside the harbor; also that the tidal conditions were such that they had to come in on the Sunday or pass on.

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Mr. McDONALD.—Ships never go into the ports in either case.

Mr. McLEAN.—I may say that the honorable members who represent Keppel Bay have both expressed themselves strongly in favour of granting the concession at that place. The only persons opposed to the concession were the workers at Flat Top, who do not like the idea of Sunday work. The men at these places are paid 1s. 3d. per hour on work days, and in granting the concession I have imposed a condition that Sunday work shall be permitted at these places only if the men employed are paid 3s. per hour.

Mr. FISHER.—Has the Minister power to make that condition?

Mr. McLEAN.—I think so. If I am asked to make a concession I think that I can attach any conditions I please to the grant of the concession. The condition I have imposed will, in my opinion, discourage Sunday work as much as possible, and on the other hand, it will compensate those who, against their wish, are required to work on that day.

Mr. HUTCHISON.—I wish to ask whether the Minister proposes also to make it a condition that members of the crews of vessels, who may have to work on the Sunday as a result of the concession granted, shall be paid the same increased rate of wages as the workers to whom reference has been made?

Mr. McLEAN.—I did not make any condition with regard to the crews. I did not consider that I had anything to do with them.

Mr. HUTCHISON.—They will have to work on the Sunday also.

Mr. McLEAN.—The persons with whom I was concerned were the workers of the Commonwealth, the settlers interested in the trade of the ports, and the ship-owners. Those were the only parties with whom I dealt. The other matter was not brought under my notice in any way. I do not know whether the crews of vessels will have to do any extra work as the result of the concession.

Sir JOHN FORREST.—I should like to ask whether, when this matter is again before him, the Minister will give consideration to those ships which carry stock. I am aware that on the north-west coast of Western Australia a great deal of cruelty to animals is perpetrated by reason of the fact that ships carrying stock are delayed at various ports on Sundays.

Mr. McLEAN.—I may tell the right honorable gentleman that I have considered that question. I saw that there would be grave danger in making the concession on this account, for the reason that people would be induced to load at such times as would make it imperative that we should grant the concession, and Sunday work would thus be made general.

Sir JOHN FORREST.—I refer to the fact that ships carrying stock are delayed at intermediate ports.

Mr. McLEAN.—Where vessels have carried live stock permission has been asked to do Sunday work, in order to avoid the necessity of keeping the stock a day longer on board. That really only means a day's extra fodder.

Mr. CONROY.—It means very much more than that, as the honorable gentleman would know if he owned the stock.

Mr. McLEAN.—I have had a great deal more to do with stock than has the honorable and learned member. I have been a stock-owner practically all my life.

Mr. CONROY. — Then the honorable gentleman is not acting according to his knowledge.

Mr. McLEAN.—I quite agree that there is great hardship in having to keep stock on vessels any longer than is necessary. On the other hand, I found that if we were to open the door in the way suggested the result might be to make Sunday work general. That is the report which has been submitted to me by the officers of the Department who are intimate with the conditions at these ports. Whilst I should be the last to wish to keep stock on board a vessel any longer than is absolutely necessary, I see the danger which has been brought under my notice —that the making of the concession asked for in this instance might lead to Sunday work being made general.

Mr. McDONALD.—I should like to ask the honorable gentleman whether in imposing the condition that the workers who will have to work on Sundays at Keppel Bay and Flat Top are to get 3s. per hour, he proposes to make the shipping companies pay those men the increased rate of wages from the time they are engaged at the port or from the time they actually start work? I should explain that those who have to work in Keppel Bay are engaged in Rockhampton. The wharfs at Rockhampton are forty miles from Keppel Bay, and these men will be five hours in getting down to what

the honorable gentleman refers to as "the port." It will be clear that these men will lose a considerable amount of time in getting to the place at which they have to start work, and I therefore inquire whether it is the intention of the honorable gentleman to enforce payment of the increased wages from the time the men are engaged for the work.

Mr. McLEAN.—I obtained the rates of pay per hour at present paid in the different ports, but the particulars I obtained did not mention when the work commenced or ceased. I increased the Sunday rate by 50 per cent. Just now, they are paying 2s. an hour for Sunday, and, I think, 1s. 3d. for week-day work. When I increased the Sunday pay by 50 per cent., I did not make any alteration in the hours. I do not know when the time starts, but whenever it may be there was no alteration made in that respect.

Mr. HUTCHISON.—I should like to ask the Minister of Trade and Customs whether, before granting permission for vessels to unload on Sundays, he will take into consideration the desirableness of seeing that the members of the crew shall also be paid extra for the time they are compelled to work on Sundays?

Mr. McLEAN.—I may tell my honorable friend that I have already acted in this mattter, and have sent a written intimation of my decision to all the parties affected. I can show my honorable friend a copy of the decision which I sent.

Mr. HUTCHISON.—I wish to ask the Minister of Trade and Customs, as he has stated that he did not take into consideration the interests of the crew, and as he must know that the members of the crew will certainly have to work, whether, in connexion with whatever decision he has arrived at, if he has not included the crew, he will see that those members of it who are compelled to work on Sundays shall be paid at the same rate as are the other workmen?

Mr. McLEAN.—I shall be glad to make inquiries into the subject. The case of the crew was never brought under my notice. All the other parties to the transaction brought their cases under my notice, and I have been considering the subject for weeks past. I dealt with every interest that was put before me. Although the case of the crew was never brought before me, I shall be glad to make inquiries into the position of matters.

ELECTORAL ADMINISTRATION.

Mr. BROWN.—I should like to ask the Minister of Home Affairs whether any decision has been arrived at in connexion with the claim made by divisional returning officers for allowances in connexion with the last general elections?

Mr. DUGALD THOMSON.—I think I have already informed the honorable member that I was not disturbing the decision which had been come to by my predecessor, and had no intention to disturb it, unless it was shown that definite promises had been made to the divisional returning officers by those having authority to make such promises. In such cases, I think it would be only right that the honorarium which some of the officers have claimed should be paid. If evidence of such promises is given in any case, I shall act on the decision already stated.

Mr. BROWN.—I wish to ask the Minister of Home Affairs another question on the same subject. It is, whether the Chief Electoral Officer is to be considered as a person having authority to make promises of the kind mentioned; and, secondly, whether the Minister is aware that payments have been made in a few cases?

Mr. DUGALD THOMSON.—The Chief Electoral Officer, I at once admit, was a person competent to make such promises, and I am aware that promises have been proved to have been made, and that payments have been made accordingly. I shall be glad to give the honorable member any information he desires, if he will apply to me, and also to show him the papers in connexion with the question.

NEW HEBRIDES.

Mr. WEBSTER.—I wish to ask the Prime Minister whether his attention has been directed to a paragraph appearing in the *Age* newspaper this morning referring to a petition from French residents of the New Hebrides, in which they ask the French Government to annex those islands?

Mr. Watson.—Some of the residents.

Mr. WEBSTER.—Undoubtedly; some of them. Will the Prime Minister be vigilant with regard to the interests of the Empire in connexion with such a proposal?

Mr. REID.—Certainly.

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POSTMASTERS AS RETURNING OFFICERS.

Mr. WEBSTER.—Is it the intention of the Postmaster-General, in cases where postmasters have been reduced in their grade by reason of the Public Service re-classification, and where such officers have hitherto been acting as returning officers in connexion with the Federal elections, to dispense with their services and lose all the experience which they have gained in electoral matters, by removing them to other districts?

Mr. SYDNEY SMITH.—It would be fairer if the honorable member would give notice of a question of that kind. It is rather an important question, and one which has not been brought under my notice hitherto. I was not aware of any trouble in regard to the matter, though I know that in some cases postmasters have objected, on the score of the pressure of postal business, to transact electoral business. In such cases they have not been forced to take positions as returning officers.

BOUNTY ON SUGAR.

Mr. GLYNN.—I should like to ask the Prime Minister a question with reference to the consideration of the continuance of the bounty on sugar. I wish to know whether he is aware that the price of sugar, as stated in the public press, has been twice increased during the last few months, and that another increase in the retail price has been announced; whether he is aware that, according to the Sydney *Daily Telegraph*, the present price in Australia is £5 a ton higher than the price in England; and whether, under these circumstances, in considering the question of the continuance of the bounty, he will also consider the operation of the import duty, and whether it is expedient to reduce it?

Mr. REID.—In dealing with that very important matter, every phase of the question must be taken into consideration.

USE OF FLANNELETTE.

Mr. LIDDELL asked the Prime Minister, *upon notice*—

Whether, in view of the fact of the alarming prevalence of burning accidents caused by the wearing of a highly inflammable material known as "flannelette," he will bring the matter under the notice of the Tariff Commission, and recommend that a flannelette rendered non-inflammable by special treatment be admitted at a reduced rate of duty, in order to discourage the use of the highly inflammable material so generally in use?

Mr. REID.—I beg to say, in reply to my honorable friend, that this matter will receive attention.

CONCILIATION AND ARBITRATION BILL.

In Committee (Consideration of Senate's amendments resumed from 6th December, *vide* page 7890):

Clause 40—

The Court, by its award, or by order made on the application of any party to the proceedings before it, at any time in the period during which the award is binding, may—

. . . .

(*b*) direct that as between members of organizations of employers or employees and other persons offering or desiring service or employment at the same time, preference shall be given to such members, other things being equal.

. . . .

And provided further that no such preference shall be directed to be given unless the application for such preference is, in the opinion of the Court, approved by a majority of those affected by the award who have interests in common with the applicants. . . .

Senate's Amendment.—Leave out—"And provided further that no such preference shall be directed to be given unless the application for such preference is, in the opinion of the Court, approved by a majority of those affected by the award who have interests in common with the applicants."

Upon which Mr. REID had moved—

That the amendment be disagreed to.

Upon which notion Mr. WATSON had moved by way of amendment—

That the following words be added:—"but that all the words after the word 'unless,' line 12, be left out, with a view to insert in lieu thereof the words 'the Court is satisfied that the organization applying for such preference substantially represents the industry affected in point of the number and competence of its members.'"

Mr. WEBSTER (Gwydir).—When speaking upon this subject last evening, I dealt with the right of the employés to the treatment indicated by the leader of the Opposition. I showed that it would tend to the greater security of the law if the question of competence were made a far more important factor in the decisions of the Court. I do not intend to pursue the matter at greater length. I am satisfied with the appeal which I have made to the Government to deal with the question apart from party considerations. I ask them to consider it as a matter of equity. In my opinion, the amendment of

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the leader of the Opposition will make the Bill operative, although it is not all that I desire. Cannot the Prime Minister be a little more reasonable? Is it right for him to use the small majority which he has for the purpose of imposing conditions which he must know will hamper the administration of the Bill, and certainly interfere with the effectiveness of it? I fully expected, when the amendments came down from the Senate, that they would at least receive the sympathetic consideration of the Government, and, seeing that no party issue was at stake, that the Government would desire to make the measure more practicable than it was previously. I have already quoted the opinions of men who know what they are talking about, and who have acquired their knowledge in the severest school possible, that of experience. I have also quoted the opinions of men on the judicial bench, who have had charge of the administration of similar laws in the States, and the opinions of men who have been associated with unions for a lifetime. But it seems that these appeals to the Prime Minister will be of no avail. I only know that if this clause is passed as the right honorable gentleman desires, we shall have something to regret in days to come, because, I am afraid, the Bill will prove an inoperative measure. If honorable members on this side were as determined as I am to safeguard the interests of those whom they represent, they would be prepared to fight to the end in defence of the principle at stake, and no considerations of personal convenience would be allowed to interfere. There are honorable members who may have to explain their attitude on this measure—to explain why they exhibited such apathy—if the prophecy I have just made should prove correct. I have some feeling of sympathy with honorable members opposite. I know they are anxious to return to their homes, irrespective of the legislation which they leave behind, after a long and trying session. But, as I have said, no considerations of personal convenience should be allowed to influence those on this side of the House, who feel that they have a mission and a duty to protect, at all hazards, the interests of the men and women affected by this Bill. We have been told by several honorable members that only certain unions are likely to be brought within the operation of the measure. No honorable member, however, can prophesy with accuracy what conditions may arise, if such a law be passed. There is not only a possibility, but a probability, that many of the trades and callings now followed in the States may be brought within the purview of the Bill; at any rate, there is a possibility of trade unions being brought into such contact with them as to bring them within the sphere of a Federal law of the kind. Why should we single out only one or two unions? Even if these unions represent only 8,000 or 9,000 men, we have no right to conjecture that they will be the only organizations affected. We have to provide not only for the conditions of to-day, but for conditions which may arise hereafter. It appears to me, however, that there is an anxiety to place on the Statute-book of the Commonwealth an impracticable piece of legislation. The Prime Minister now has an opportunity to associate his name with legislation which would be welcomed with pleasure by generations unborn; yet with all his aspirations and ability, he is not prepared to wrest himself from the trammels of the organization which seems to most influence him at the present time. Surely the Prime Minister has had sufficient experience in passing legislation to know that it is not always a commendation to have one's name associated with a particular measure. Many laws have been passed in the States which reflect not credit, but, very often, grave discredit on the framers, who are thus proved to have been utterly unfitted for the work they undertook. There is not the slightest doubt that this clause contains the main point of the Bill, and unless the provision be passed in accordance with the wishes of honorable members on this side, all the other clauses, however professedly liberal they may be, will prove absolutely inoperative. This clause is undoubtedly the main-spring of the Bill; and it is of no use the Prime Minister endeavouring to close his eyes to the fact by stating that he is looking after the interests of the community—that his heart is bleeding for the non-unionists who will be left out in the cold. No explanation will avail the right honorable gentleman, if, in the future, it should be found that unionism is decaying for want of an incentive. Of course, we know that by that time the Prime Minister may be placed comfortably in some judgment seat—that he may have passed away from the troubled sphere of politics. That is an unfortunate feature of our legislation as conducted by the politicians of to-day. Those politicians carry no responsibility beyond a certain

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date; they are here to-day, on the highest pinnacle at which their ambition has aimed, and to-morrow they take liberties with legislation which they have hitherto advocated. They feel that, come what may, they will be safe in some haven, comfortably sheltered from all political warfare. When this Government was formed I thought we were in a very happy position, inasmuch as, if we could not get a reply from one half of the Prime Minister, we should be able to get one from his other half; but I find that I was deluded in that expectation. The Minister of Customs is "equal in all things" with the Prime Minister in this double-headed Government; but from the former we only get an echo of the latter gentleman, who is practically conducting the business of the House. The Minister of Trade and Customs, as a prominent State politician, has advocated legislation representing a marked advance on that which prevailed prior to his attaining office; and if I thought that that gentleman was actuated by sincerity—by a high personal ambition to protect the interests of those who are contemplated by such legislation—and not by political necessity, I should have no hesitation in appealing to him. But there are professed democrats who have deluded the people into the belief that the legislation they favoured was in the interests of unionists and toilers generally, and we appeal in vain to the Government, on the ground of logic, common sense, or experience. The Government will not advance one inch towards a compromise. The Minister of Defence is probably capable of constructing a subtle amendment for a particular purpose; but surely the Prime Minister is not going to tie himself to an amendment framed by a gentleman who has had no practical experience in industrial matters. I can not think that the Government intend to adhere to this amendment simply because it has been prepared by the Minister of Defence, especially when men with fifty times the experience of that gentleman can prove that the provision would be injurious in its operation. Practical men, having regard to the antecedents of the Minister of Defence—practical men who take an unbiased view of the history of that gentleman——

The CHAIRMAN.—Order!

Mr. WEBSTER.—Surely I am in order in referring to the author of the amendment which we are asked to adopt, and asking whether the Minister of Defence is really qualified to lead the Committee.

The CHAIRMAN.—I beg the honorable member's pardon. He is not referring to the author of the amendment, because it was moved by the leader of the Opposition. I would ask him to confine his remarks to that question.

Mr. WEBSTER.—If this amendment be not accepted, the alternative will be to accept the amendment which was inserted in the clause at the instance of the honorable member for Corinella. I realize that, according to strict rule, I have to discuss the question immediately before the Committee; but if I am to be kept right up to the collar in this way I shall not be able to discuss the relative merits of the two proposals.

The CHAIRMAN.—I do not think that the honorable member can complain of the Chair this morning.

Mr. WEBSTER.—I am not complaining. I have too big a case to fight to permit my personal feelings to have play. A man can rise superior to that consideration when he is fighting for the rights and liberties of thousands of workers in the Commonwealth, who are anxiously waiting to see whether this Parliament is prepared to put fetters upon them. In Sydney, the other day, an organization unanimously passed a resolution appealing to this Parliament to prevent this class of legislation from being passed. We have the great unions of the Commonwealth appealing to honorable members to prevent the enactment of the very provision we are now seeking to modify. Whilst I hear these legitimate appeals from the workers through their organizations, I have something more to interest me than the mere question whether I am technically out of order. I am always desirous of keeping in order if possible, and if I do err, sir, it should be remembered that it is only human to err. I was dealing with the amendment which the leader of the Opposition has moved, not as an indication of what we should like, but as an alternative to that for which the Government contend. We are not now debating the question as to whether this legislation as proposed is what we desire to be enacted. We are prepared to come to a compromise. We are prepared to abandon our ideal for a time, and endeavour to meet the Government half-way, but they are not willing to budge an inch from

their position. The clause before the Committee has been mainly responsible for the wrecking of three Governments. For nine months the Parliament has been practically engaged upon this measure. What has it produced? If it were producing a practicable measure I should have no objection to remaining here for another period of nine months, or longer if necessary. The successful operation of the Bill will depend upon this clause. Some honorable members seem to think that it ought to be passed with the same speed as a mere machinery clause or a clause dealing with regulations. But the provisions which have been embodied in the clause since it was introduced have practically cut the heart out of the measure. Apparently, honorable members on the other side wish to place on the Statute-book a law which will be inoperative and unnecessary, or they are trying to make the people believe that they are endeavouring to honestly legislate for the removal of those labour difficulties which always arise in a new country. For the settlement of industrial disputes we have adopted a method which is not yet known outside the Southern Hemisphere. We are seeking to place on the Statute-book a law which will be an example to the rest of the world. In New Zealand, New South Wales, and Western Australia the law contains a provision largely similar to the amendment which has been moved by the leader of the Opposition. No unbiased man can say that in any of those three countries the law has not been a blessing, not only to the employés, but also to the employers. On the one side, it has secured continuity of employment, and on the other side it has given security to capital. By granting preference to unionists in the measure, we should not only secure the rights of the employés, but also preserve indirectly the rights of *bonâ fide* employers who are trying to do their best to develop the industries of the Commonwealth. We cannot, therefore, be charged with acting from a selfish stand-point. Although it has been made apparent that each side objects to the clause, the Government are nevertheless prepared to force upon them this objectionable legislation. I do not say that the attitude which has been taken up by the leader of the Opposition is the best one in the interests of the Bill. What I contend is that when neither employers nor employés desire the Bill to be placed upon the Statute-book, a compromise could be arrived at. The Prime Minister could reasonably say to us, "If you are prepared to strike off all the conditions which have been stipulated during the last nine months, I am prepared to allow the Court to judge from the evidence the wisdom or otherwise of granting preference."

Mr. JOHNSON.—Without any stipulation as to preference?

Mr. WEBSTER.—Yes; as in New Zealand and Western Australia, it should be left to the common sense of a just Judge to decide according to the evidence submitted.

Mr. JOHNSON.—The honorable member ought to have voted for my amendment when it was moved, because it left the matter open.

Mr. WEBSTER.—How was I to know what sincerity was behind an amendment from an honorable member who had declared that he was an opponent to arbitration in any form?

Mr. JOHNSON.—I never said anything of the kind. I absolutely deny that statement.

Mr. WEBSTER.—It is so recorded in *Hansard*, which is better than my word.

The CHAIRMAN.—The honorable member must accept the denial of an honorable member.

Mr. WEBSTER.—I was not refusing to accept the honorable member's denial.

Mr. POYNTON.—He made his position clear. He voted for the amendment to wreck the Government.

Mr. JOHNSON.—Nothing of the sort.

Mr. POYNTON.—That is recorded in *Hansard.*

The CHAIRMAN.—Order.

Mr. WEBSTER.—I do not care from what quarter an amendment may come, so long as it is likely to have a beneficial effect, and its mover is sincere. I am technically out of order in answering interjections; but it is rather amusing for the honorable member for Lang to ask me to take him as a guide in dealing with this class of legislation. It would be ridiculous to attempt to place upon the Statute-book a law which experience teaches us would only be a delusion and a snare, and I feel that I have a right to stand here as long as my physical powers will permit in order to oppose such a proposal, but as I do not wish to repeat the remarks I made yesterday, I desire to have an opportunity of looking through the proofs of my speech. Therefore I shall postpone any further observations for the present in order that I may safeguard myself against repetitions,

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and also prepare other matter of special interest, which I desire to lay before the Committee.

Mr. SKENE (Grampians).—The amendment proposed by the honorable member for Bland throws us back to the position we occupied before the Bill was forwarded to the Senate, and I regret that it should have become necessary for us to go over the old ground again. The present trouble seems to arise from the fact that whilst honorable members on this side of the Chamber propose to give definite directions to the Court, honorable members opposite wish to leave the Court to practically make a law for itself. We think that the Court might by reasonable means—without taking a poll of those engaged in the industry, or insisting upon absolute proof—very easily satisfy itself as to the side upon which the majority lies. Under the Government proposal, a clear and distinct issue would be placed before the Court, but the amendment of the honorable member for Bland would, by the introduction of the qualifying word "substantially" leave it to the Court to make a law for itself. One Judge might say that 10 per cent. of those engaged in an industry constituted a substantial number, whilst others might insist upon a larger percentage being shown. The leader of the Opposition has stated that he desires that a substantial number shall really be a majority, but his intention is not definitely expressed by the amendment. It has been strongly contended that it would be impossible for the unions, without a great deal of trouble, to show that they represented an absolute majority of those affected. I do not, however, anticipate any trouble on that score, because I assume that the Judge would take it for granted that all in the claimant union were in favour of preference. Statistics as to the number of persons engaged in any particular industry would be available, and upon these the opponents of preference would have to rely. Therefore, their case would probably be weaker than that which could be presented by the applicants for preference. If the leader of the Opposition is ready to admit that a substantial number of those affected by an award would really represent a majority, or almost a majority, it would be as difficult for applicants for preference to establish the fact that they substantially represented those affected as it would be for them to demonstrate that they represented an actual majority.

Mr. REID.—One hundred would be a substantial number if there were a thousand persons engaged in an industry.

Mr. SKENE.—My objection is that the amendment proposed by the honorable member for Bland would leave it open to the Court to make a law for itself, whereas, in my opinion, the Court should merely administer the law. As I have said, it would be as difficult to arrive at a decision as to whether the applicants substantially represented those affected as it would be to prove that they represented a majority. The Government do not intend that there should be absolute proof with regard to that majority, but that we should trust the Court to satisfy itself upon that point.

Mr. JOHNSON (Lang).—The honorable member for Gwydir and the honorable member for Grey have made certain references to myself, which I do not feel inclined to allow to pass unchallenged — although I have made denials previously. It has been stated by the honorable member for Gwydir that I have declared myself opposed to this Bill, lock, stock, and barrel. That is an absolute misrepresentation of the facts, because I have never so declared myself. I have, on the contrary, taken particular pains to explain that I am not opposed to the Bill, but to certain provisions, which I regard as objectionable. The honorable member for Grey states that I had declared that my object in supporting the Bill was merely to wreck the late Government. I never declared that to be my object, and that was not my object. The measure has not been used for that purpose, so far as I am concerned. Therefore, the honorable member had absolutely no justification for attributing any such motive to me. The vote to which the honorable member evidently refers, which helped to wreck the Deakin Government, was upon an amendment to include the public servants of the States—simply a detail of one clause of the Bill. It did not affect the Bill as a whole.

Mr. HUGHES (West Sydney).—I desire merely to point out very briefly indeed the reasons why I cannot accept the Government's proposal, and why I prefer the amendment proposed by the honorable member for Bland. Something very much more important than the mere difference of words

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distinguishes the respective attitudes assumed by the two parties in this Chamber. I wish to give one concrete example—because, after all, an ounce of practice is worth a ton of theory—which came under my notice in the Arbitration Court of New South Wales only three weeks ago, to show that there is a fundamental difference between the proviso and the amendment proposed by the honorable member for Bland. The Trolleymen, Draymen, and Carters' Union, of which some mention has already been made in this Chamber, is one of considerable strength, numbering some 1,200 members. In connexion with a dispute which was submitted to the Arbitration Court for settlement, the union sought for preference for its members, and the employers endeavoured to show that the majority of those engaged in that calling were not members of the union. They did not succeed in this, and it was established that the majority of those in the employment of the respondent association were members of the union. I pointed out to the Court, however, that the union did not embrace anything like a majority of the persons engaged in the industry affected, or actually engaged in industries cognate to that of the Carters' Union. There are 1,200 persons in the union, whilst there are at the very least 3,000 persons engaged in driving vehicles in the streets of Sydney. I have no doubt there are very many more than 3,000, but I adopt that estimate because its correctness may be established by the most cursory inspection of the traffic. If we had had to show that we as a union represented a majority of those engaged in the industry, to say nothing of those affected by it, we should have utterly failed. We should not have been able to obtain preference, and, if that had been denied, the award would have been of no service. If, by reason of the decisions given previously, we had not been quite certain that we should obtain preference we should never have gone to the Court, but might have decided upon action which, if taken, might have involved those in commercial circles in very great loss. We should have settled the matter very speedily one way or the other by refusing to work. Here, then, is one of the strongest unions in New South Wales which would, under such a provision as the Government favour, have failed to make good its claim for preference. The provision for preference is the basis of the measure; without it no unions will register; and, unless the unions did register, the Bill would become a dead letter. Therefore, I shall oppose the passing of the Bill if it embodies this obnoxious provision, and I shall throw upon the shoulders of those who approve of the provision—some of them doctrinaires who believe in what they say, some of them bitter opponents of the Bill, and some of them indifferent to anything but getting into recess—the responsibility of defeating the object of the measure, and rendering it absolutely useless.

Mr. JOSEPH COOK (Parramatta).—I have listened again to the case which the honorable and learned member for West Sydney has placed before the Committee. An unfortunate feature of the arguments of the opponents of the proviso is that every case which they have cited, apart from that of the Shearers' Union, is one which can by no possibility come before the Court. It is impossible to conceive of a trolley and draymen's strike extending over the whole of Australia. Where is the sense in quoting a case which would have point enough in its application to a State arbitration law, but which can have no point whatever in relation to a Commonwealth law? That is my answer to the honorable and learned member. He declares that an ounce of fact is worth a ton of theory. So it is if it has any relevancy at all to the case which we are considering. The fact is that it is almost impossible to conceive of a trolley and draymen's strike extending beyond the confines of any one State, and therefore, his argument completely falls to the ground. Honorable members upon this side of the Chamber are opposing the amendment of the leader of the Opposition for various reasons. My reason for doing so is that in its application to any organized union—to any case which we can conceive will come under the operation of this Bill—there is no practical difference between it and the proposal of the Minister of Defence. The leader of the Opposition himself has repeatedly stated that there is no practical difference between the two proposals, and that in the working of the measure there will be no practical difference so far as the principle of majority rule is concerned. He has repeatedly affirmed that he does not desire to obtain a preference for minorities. He has said that any Judge would interpret his proposal to mean that a majority of those engaged in any industry affected by an award must first approve of a preference being granted, and he wishes it to be interpreted in no other way. That

has been stated by him time and again. For the very reason which he has assigned, and knowing it to be the practical truth of the matter, I say that the proposal of the Minister of Defence, which is embodied in the Bill, and the amendment submitted by the leader of the Opposition, are practically identical, the only difference between them being that the provision already contained in the measure is a very much plainer and more straightforward statement of the position. I shall, therefore, oppose the amendment, inasmuch as it constitutes a more difficult and indefinite way of stating the same facts.

Mr. BROWN (Canobolas).—I think it is a very great pity that an important measure of this character, affecting, as it does, the industrial interests of the community, should in the past have been made the battle-ground for purely party purposes. I do not think that that fact can be combated. In the first place, the Deakin Government were defeated upon it by certain honorable members, who declared that their votes must be interpreted in the light of those of wreckers.

Mr. REID.—Their votes did not defeat the Deakin Government. There were only two or three members who voted in that way, and there was a majority of eleven against the Government.

Mr. BROWN.—Their votes exercised a very great influence in bringing about the defeat of that Administration.

Mr. REID.—They did not affect the position at all.

Mr. BROWN.—The provision as to preference was the crucial matter upon which the Watson Government were defeated. That Government were endeavouring to bring under the notice of the Committee a certain amendment when they were defeated, as the result of a very ingenious flank movement on the part of the Minister of Defence. So that two Ministries have already been sacrificed ostensibly upon the altar of this measure, and the probability is that a third will be sacrificed if it is disposed to make it vital to its existence.

Mr. REID.—Let us get to the deadly point at once. Why delay the fate of the Ministry for a moment?

Mr. BROWN.—One important factor in this connexion is that the Government do not regard the amendment as a vital one.

Mr. REID.—The Government do not say what they will do.

Mr. JOSEPH COOK.—No doubt they will take some shifting.

Mr. BROWN.—At any rate, they have not indicated that they regard the amendment as vital to their existence.

Mr. REID.—If we did so, the honorable member and his party would talk about "cracking the whip."

Mr. BROWN.—The matter is entirely in the hands of the Ministry. If they wish to make the question a vital one, they are as much entitled to do so as were their predecessors. I do not know that any complaint could be urged if they decided to make it vital. An attempt has been made to show that there is practically no difference between the proposal of the Government and that of the leader of the Opposition—that, in the actual operation of this legislation, they would prove almost identical. That is the view entertained by the honorable member for Parramatta——

Mr. JOSEPH COOK.—It is the opinion which was expressed by the honorable member's leader.

Mr. BROWN. — The honorable member's knowledge of the industrial side of this question ought to entitle him to express an opinion upon it. If there be no difference between the two proposals, what is the reason for all this wrangling and fighting? Why do the Government attach so much importance to the words which are already embodied in the Bill? We are now being asked to consider, not a decision of this Committee, but a decision of the other branch of the Legislature. That Chamber has thought it advisable to disagree with the wording of the clause under consideration in the form in which it left this Committee, and has asked that other words may be inserted.

Mr. KELLY.—We are not now considering the amendment of the Senate, but that of the leader of the Opposition.

Mr. BROWN.—At the same time the amendment submitted by the leader of the Opposition would, if adopted, have the effect of bringing the views of this Committee more into line with those of the Senate.

Mr. KELLY.—Oh, no.

Mr. BROWN.—I think that the leader of the Opposition will admit that. He prefers the Senate's amendment to the provision inserted in the Bill by this Committee. Failing to secure the adoption of the former, he desires to bring the measure more into line with the views of the Senate upon this particular matter. I entirely differ from those who urge that the proposal of the Minister of Defence

as embodied in the Bill, and the amendment of the leader of the Opposition, are practically identical.

Mr. Reid.—Hear, hear. I do not agree with that view at all.

Mr. BROWN.—I think that there is a substantial difference between the two proposals. I would also point out that that view is shared by competent legal authorities, and also by those who are engaged in industrialism, who take a leading part in the unionist movement, and whose opinions are valued by large bodies of organized labour. I am glad to find that the Prime Minister recognises that there is a difference between the two proposals. The Committee will not be misled, therefore, into supposing that no difference exists, and subsequently express disappointment when they learn—as the result of the decision of the Arbitration Court—that they have misconceived the position. I desire to make a short quotation from a gentleman who, it will be admitted, is an authority upon this point. I refer to Mr. B. R. Wise, who is the author of the New South Wales Conciliation and Arbitration Act., The Sydney *Worker* of the 29th October last contains a very able article written by him, entitled "Compulsory Arbitration, How it has worked in New South Wales, Preference to unionists absolutely necessary." I do not propose to quote extensively from this article, but I wish rather to direct particular attention to a paragraph relating to the very matter which is now under consideration. Under the heading of "What McCay's amendment meant," Mr. Wise puts the position thus:—

One last word as to the particular amendment moved by Mr. McCay, on which the Watson Government went out of office. That provided that the Court should not grant preference, unless it was satisfied that the demand was made "by a majority of the persons affected." I have never yet met a lawyer who was able to tell me what these words mean, or how such a fact could be proved. Nor do I know of any one who has had any experience in the practice of the Court who does not admit that the insertion of such an amendment would make the preference clause a dead letter.

That is his opinion of Mr. McCay's amendment, which we are assured by some honorable members does not differ materially from that which is under consideration. After stating Mr. Watson's amendment, Mr. Wise deals with its effect, and says:—

The difference between the two proposals is very great. Mr. Watson's proposal puts the burden of proof upon the persons who deny that the applicants do substantially represent the trade in both these respects, while Mr. McCay's amendment puts the burden of proof upon the persons who ask for preference. This is a difference which will be appreciated at once by any lawyer.

That is the opinion, not only of a very able lawyer, but of a gentleman who has made the question of industrial legislation a special study, and who is, therefore, entitled to speak upon it with a greater degree of authority than are most legal men. In the course of the same article Mr. Wise points out how this proposal would work in practice. I did not happen to be present in the Chamber when the honorable and learned member for West Sydney was addressing himself to this question, but I understand, from the reply of the honorable member for Parramatta, that he instanced the case of the trolley and draymen in this connexion. In the opinion of the honorable member for Parramatta, that case did not apply to the present Bill, inasmuch as he declares that the industry represented by that union is not likely to come under its operation.

Mr. Joseph Cook.—I said that it was almost impossible to conceive of an inter-State strike of trolley and draymen.

Mr. BROWN.—I do not know that it is. The probability of such a thing is certainly remote, but the honorable member must recollect that there are unions of that character throughout the various States, and, consequently, it is quite possible that a difficulty may unexpectedly arise which may affect the interests of that industry in more than one State. That, however, is a matter of surmise. In the article to which I have referred Mr. Wise deals with another industry, namely, that which is represented by the Amalgamated Engineers' Union. He points out that that union represents an industry which requires a considerable amount of theoretical, as well as practical, study upon the part of its members.

Mr. Joseph Cook. — Are they marine engineers?

Mr. BROWN.—I presume that the association embraces both marine and land engineers; but I cannot speak authoritatively on the point. Mr. Wise points out that the members of the Amalgamated Engineers' Association require considerable theoretical, as well as practical, knowledge, and that, for that reason, the union is a highly organized one. On the other hand, there are many men, outside the union, employed for the most part as engine-drivers in the industry which it represents, but who have

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no such qualification. About six years ago, the present Prime Minister introduced a Bill in the Legislature of New South Wales which related to engineers, and more particularly to those in charge of mining machinery. Prior to that there was no State legislation dealing with the matter, and any man who, by working as a fireman, had obtained a slight knowledge of machinery, was entitled to take charge of an engine if he could find an employer ready to trust him with one. Such men lacked expert knowledge; they were a menace to those engaged in the works in which they were employed, and the Bill was, therefore, introduced in the interest of human life. A number of accidents directly traceable to insufficient knowledge on the part of those placed in charge of engines and machinery had occurred, and the Bill was consequently introduced to regulate the industry. It provided that if a man could show that at the time of the passing of the Act he had a practical knowledge of machinery, he should receive a certificate entitling him to engage in this occupation. Failing this, he had to pass a fairly stiff examination to prove his fitness for the work, and, on doing so, received a certificate without which he could not be employed as an engineer. As the result of this legislation a number of men who, up to that time, had been in charge of machinery, employed more particularly in mining operations, were deprived of this means of employment. Mr. Wise points out that a similar course has been followed in some of the other States, and he shows that while the Amalgamated Engineers' Association represents the competent men of the industry, there are many men in charge of engines and machinery who do not possess the same qualifications.

Mr. JOSEPH COOK.—And, therefore, they cannot be engaged in the occupation.

Mr. BROWN.—They are following it in different States.

Mr. JOSEPH COOK.—But they are not allowed to do so in New South Wales.

Mr. BROWN.—Until the passing of the measure to which I have referred, they were able to do so. That Act, however, excluded them, and a considerable number of those previously engaged in the industry were registered under it, although they could not pass the special examination as to fitness. We are legislating now, not for New South Wales, but for the whole Commonwealth, and we must bear in mind that the conditions vary considerably in the several States. The regulations in some of the States are perhaps more stringent than are those prevailing in New South Wales, while in others we have a state of affairs similar to that which we had in New South Wales prior to the passing of the legislation I have mentioned. Mr. Wise points out that under this Bill, members of the Association applying for preference might be met with the opposition of men who were not equally qualified, and who rightly believed that if the concession were granted, their opportunities for employment would be curtailed. The mere fact of their opposition would throw upon the Association the onus of proving that they represented a majority not merely of the most competent men in the industry, but of those actually engaged in it. The leader of the Opposition, and those who agree with him in opposing the Government proposition recognise the difficulty, if not the injustice, of throwing upon such a body of workers the onus of proving not merely that the majority of the members of their union are in favour of preference, but that their application has the approval of a majority of those engaged in the industry, including many with whom they are not in touch, and whose opinions it would be practically impossible to ascertain. Mr. Wise says—

> Mr. Watson's amendment, in fact, recognises that the object of unionism is not only to raise wages, but to improve the standard of the workmen. It requires that character, ability, and skill, when they exist in a trade union, should be recognised by the Court, and have due weight given to them. In fact, the practice of the Court of New South Wales has been only to grant preference in cases where the conditions stated in Mr. Watson's amendment have been proved to exist.

He goes on to say that he sees no necessity for the limitation proposed by the leader of the Opposition; he thinks that the matter might be left to the discretion of the Court, just as has been done in the legislation bearing on this subject passed in New Zealand and New South Wales. This view of the position indicates some of the problems that we have to consider. It is the opinion of a gentleman who not only holds a very high position in the legal profession in New South Wales, but is specially qualified to deal with the subject from the industrial stand-point, by reason of his close study of, and his association with, a similar piece of legislation now in operation in that State. The point which he emphasizes ought to receive the earnest consideration of the Com-

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mittee. If honorable members wish to destroy the measure——

Mr. REID.—If talk would kill it it ought to have been dead long ago.

Mr. BROWN.—I do not know that the right honorable gentleman can charge me with having spoken at undue length on this question.

Mr. REID.—The honorable member seems to come in at the finish—just as we appear to be ready for a division—as fresh as a greyhound.

Mr. BROWN.—I belong to the race from which the right honorable gentleman springs, and which has always been noted for being pretty strong at the finish—especially if the fight be a losing one. I do not wish, however, to unduly take up the time of the Committee. I cannot complain of the attitude of those who openly assert that they are opposed to legislation of this character, and are anxious to render it as futile as possible. They have clearly indicated their position, and I have no hostile feeling towards them. They are entitled to hold the opinion that the measure is undesirable just as I am entitled to believe that it will tend to solve the labour problems which we have to face. But the point which I wish to emphasize is that those who desire to make this legislation as effective as possible, and who contend that there is no real difference between the Government proposal and that put forward by the Opposition should ask themselves which of the two would go furthest in the direction of making the measure a workable one. If they believe, after careful consideration, that the Government proposal is right, we cannot quarrel with them, but if, on the other hand, we can show—as I think we have done—that the Government proposal does not go so far in that direction as would the Senate's amendment or the modification of it proposed by the leader of the Opposition, that fact should have some weight with them. I have to make a choice between the two propositions, and, as the result of careful consideration, I have decided that the Senate's amendment or the modification of it proposed by the leader of the Opposition, would do more to make this a workable measure, acceptable to industrialism, than would the Government proposition. I am supported in the view I take not only by legal authority, but practically by universal industrial authority, which ought to be competent to express a sound opinion on the point. That being so, I shall vote as before to secure a modification of the clause as favoured by the Government. So far, I have not taken up an attitude of hostility to the Bill as it stands. I recognise that concessions have to be made, and that it is impossible for an honorable member to secure the passing of a measure which carries out to the full all that he thinks desirable. Even a Minister charged with the duty of drafting an important measure generally finds on submitting it to the House that he cannot carry it in the form in which he thinks it should be placed on the Statute-book. He has to make concessions. I have not assumed an attitude of direct hostility to this proposal. Failing to obtain what I wish to obtain, I have endeavoured to have the proviso amended so as to meet my wishes as nearly as possible, and I express my regret that my efforts in this direction, and the efforts of those associated with me, have met with so little success. I trust that as these are vital matters, the Committee will even now see its way to make concessions, not only to those who in this Chamber are opposed to this proviso, but to members of the other House, whose opinions should obtain some consideration at our hands. I appeal to those who are favorable to legislation of this character, and who wish to make the Bill effective, to seriously regard the position placed before them by the Senate, the leader of the Opposition, and those who support him, and the representatives of industrialism outside.

Mr. POYNTON (Grey).—While the honorable member for Gwydir was speaking, he referred to the attitude of the honorable member for Lang in regard to this matter generally. I interjected that the position of the honorable member for Lang was clear, because he had supported the measure in order to defeat the Deakin Government. The honorable member, later on, made a personal explanation denying the accuracy of my statement. I wish, therefore, to quote the following extract from a speech delivered by him earlier in the session, and reported in *Hansard*, on page 1174:—

To my mind, the crux of the present position is, not whether the employés of the States or the railway servants shall be included within the operation of this Bill, but whether a Ministry, which is responsible for the mischievous legislation from which we have suffered during the past two or three years should be permitted to continue to occupy the Treasury bench. I believe that that is the only consideration which will influence a great

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many honorable members on this side of the House in voting on this amendment. It is our duty to turn the present Government out of office at the earliest possible opportunity. I am pledged to that course. I only regret that I cannot make use of a weapon which would be more congenial to my taste. However, in political warfare, we are not always able to exercise a choice as to the weapons which we shall employ. Recognising the injury which the Government are doing to the prestige of Australia, I cannot reconcile it with my conscience to vote in such a way as will continue them in office for one moment longer than is absolutely necessary. My only hope is that, as the result of the division, changes will be brought about in the near future that will lead to a Government taking office that will be more in accordance with our ideas of the basic principles of democracy. We wish to see government of the people for the people by the people, and I hope that we shall have a Government commanding a majority that will enable it, without any coercion on the part of a third party—no matter what that party may be—to carry on the affairs of the country in an effective manner. It is because I desire to bring about such a change that I, for one, am not prepared to do anything to assist the present Government to remain in possession of the Treasury bench.

Mr. JOHNSON.—Those remarks have nothing to do with this amendment. We were then dealing with the proposal to bring railway servants within the scope of the Bill.

Mr. POYNTON.—Yes, but the passage which I have quoted—and I made a lengthy citation in order that I might not be accused of unfairly representing the honorable member—shows that he has supported the Bill in order to defeat the Deakin Government. I have a decided objection to the proviso which the Senate wish to omit. As I explained to the Minister of Defence last week, there are, to my mind, two serious questions involved. My first difficulty is in regard to the word "application." On two or three occasions, when I held office in connexion with the Shearers' Union, it would have been absolutely impossible to put into effect the requirement of the proviso in regard to the making of an application—cases in which, within a few weeks, and sometimes within a few days, after the men had started out to their work in different parts of the Commonwealth, the employers decided to reduce the rates of wage. In one case a reduction, where men found themselves, from 20s. to 18s. was proposed. In all cases the executives of organizations try, as far as possible, to obtain the opinions of their members before taking any course, but there are occasions when an executive cannot do this, and even the secretary has sometimes to act without consulting his local committee. In such cases, how could a majority of the union indorse an application?

Mr. McCAY.—The proviso merely repeats the phraseology used in the first lines of the clause—

> The Court, by its award, or by order made on the application of any party.

Mr. POYNTON.—Yes, but the proviso says that no preference shall be directed to be given unless the application is "approved by a majority."

Mr. McCAY.—Does the honorable member think that a Court would assume that the members of a union which was asking for preference were not in favour of it?

Mr. POYNTON.—I think that a Court might ask the officer appearing for the union if a majority of the members of the organization had indorsed the application, and if he answered the question truthfully, he might have to say No.

Mr. REID.—The executive would act for the whole organization. It would be a singular trade unionist who would say, "I do not wish for preference for myself or for my trade." The presumption would be against the members of a union which was applying for preference being opposed to the granting of it.

Mr. POYNTON.—In the law courts it frequently happens that the Judges say, "The equity is so-and-so, but, unfortunately, the law is something else."

Mr. REID.—But legal rules are not to apply in the Arbitration Court.

Mr. POYNTON.—That is one reason why I prefer to have the Court untrammeled by any direction.

Mr. McCAY.—Clause 22 prescribes that a dispute may be submitted to the Court only after certain formalities have been complied with, that is, the consent of a majority of the committee of management at least must be obtained.

Mr. POYNTON.—That would not be so difficult.

Mr. McCAY.—Once that was obtained, I do not think that the Court would assume otherwise than that all the members of the union desired preference.

Mr. POYNTON.—My next point is in regard to the requirement that there shall be a majority of those affected by the award "who have interests in common with the applicants." The common rules enforced by the Court would certainly embrace very large areas, and, in some cases, the whole Commonwealth.

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Mr. McCAY.—The words "who have interests in common with the applicants" were inserted to insure that when a majority of employés is in favour of preference being granted, it shall not be necessary to obtain the consent of a majority of employers also. The phraseology of another clause has been adopted. In my view, the words limit the requirements of the clause, and do not enlarge them.

Mr. POYNTON.—I am afraid that they may be stretched so as to bring in others who are not even parties to the application.

Mr. McCAY.—The words are taken from clause 35, which provides for the appointment of assessors.

Mr. POYNTON.—Their exact effect is not very clear. The proposal of the leader of the Opposition to substitute the words "substantially in number and competence" does not meet with my approval. It is true that the Arbitration Courts of New Zealand and New South Wales have, in nearly every case, considered the competence and numbers of those represented in an application, but I should like to see the Bill passed without this limitation, so that the Court might exercise its own discretion, and give a decision in accordance with equity and good conscience.

Mr. McCAY.—I think that in the case put by the honorable member, the Court would require evidence which would be quite as difficult to obtain, having regard to the loss of time involved, as that required by the proviso. No time would be saved even if the proviso were left out altogether.

Mr. POYNTON.—I am inclined to agree with the honorable and learned member. There would be the same difficulty in regard to loss of time if a technical objection were taken to an application. There seems to me great danger in accepting either the proviso or the amendment of the leader of the Opposition.

Mr. McCAY.—The honorable member could vote against both.

Mr. POYNTON.—That will not suit me. If the amendment of the leader of the Opposition is agreed to, the Court will be compelled to act on the lines laid down. Of course, there have been, and always will be, complaints about the decisions of the Court, no matter what we may provide. Persons will apply for preference or concessions, and will be discontented if they are refused. In New South Wales and New Zealand, however, there have been very few complaints from the organizations of employés, though a good many complaints by employers have been published in the newspapers. I support the amendment of the honorable member for Bland only on the ground that it is in accordance with the practice of the Arbitration Courts in New Zealand and New South Wales. I should have much preferred to leave the Court untrammelled by any limitations or suggestions. No one is more anxious than I am to have this matter settled, but my principal concern at present is to prevent the Bill from being converted into a machine for inflicting injury upon unionists, and into an instrument of tyranny. Those who have taken an interest in the trade union movement must know that from the very earliest period it has involved great sacrifices on the part of those who have been prominently identified with it, and that it has, at the same time, accomplished great good. The unionists are now being asked to give up the only weapon which they have been able to use effectively in the past—sometimes at great cost to themselves. The danger is that upon surrendering their present rights and liberties they will receive in exchange something that would be much less effective as a means of protection. As a matter of fact, apart from legislation of this kind, they have nothing to fear. Their forces were never more effectively organized than at present, and they could employ their old methods with greater advantage than ever before. They recognise, however, that strikes afford only a barbarous means of settling disputes, and that they involve in suffering and loss large numbers of persons who are in no way connected with the disputes. Therefore, they are prepared to accept a measure such as that now before us, so long as adequate provision is made for their protection. I am disappointed that the Prime Minister should have thought it necessary to so strictly adhere to the proviso. It cannot be contended that the language which the Government have adopted is so perfect that it could not be improved.

Mr. McCAY.—No one has suggested an alteration.

Mr. POYNTON.—Suggestions have been made, but honorable members opposite have not approved of them.

Mr. McCAY.—Those suggestions have related to the alteration of the principle and not of the wording of the clause.

Mr. POYNTON.—I should think that the Minister of Defence could very readily

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suggest an alteration in the wording of the clause which would render it impossible for it to be applied in such a way as I have indicated.

Mr. McCAY.—The union would be assumed to be in favour of preference. I cannot conceive of any other conclusion.

Mr. POYNTON.—The Court might recognise the difficulties which beset a large union in obtaining evidence which would establish its claim to represent a majority of those affected by a dispute, but it would be hampered in giving a decision upon what it might regard as the merits of the case. Surely we are justified in assuming that the Court will be a competent tribunal, and such as we could trust. Do honorable members for a moment suppose that the Court would grant preference to a few trades unionists, to the prejudice of several hundreds of persons outside the union, unless there were some special reason for doing so? If 100 constituted a majority of the persons affected, and the applicants could prove that they represented only 99 persons, the Court would be prevented from granting them preference. The same arbitrary distinction would be made in the case of non-unionists, who might be opposing preference. It is not to be supposed, for a moment, that the Court would grant preference, even to a majority, if it were shown that injury would be inflicted upon a large number of other men. I believe that in every case the Court would, if untrammelled, give a decision upon the merits. Why should we not instruct the High Court?

Mr. ROBINSON.—We do.

Mr. POYNTON.—We do not instruct them as to the decisions they shall give, but only as to the procedure they shall follow.

Mr. JOSEPH COOK.—The whole process of the law is to find out the limitations of the Courts.

Mr. POYNTON.—Yes, but no special instructions are given to the Courts as to the decisions at which they shall arrive.

Mr. McCAY.—Every one concerned is a party to an ordinary suit in the law Courts.

Mr. POYNTON.—Have we not made provision for opening the Arbitration Court to all parties concerned?

Mr. McCAY.—We have provided that all parties may be represented. In an ordinary Court, all persons interested must be parties, or the Court will not arrive at a decision.

Mr. POYNTON.—We have provided that all parties interested shall be notified of the application to be made to the Court.

Mr. McCAY.—Yes, but the proceedings in ordinary Courts are sometimes adjourned in order that all persons interested in a suit may be made parties.

Mr. POYNTON.—My feeling is that the Bill, if carried in the form approved by the Government, will give satisfaction to no one. In view of the fact that the alteration of the measure no longer involves the fate of a Ministry, honorable members ought to direct their best energies to making it workable. Up to the present time we have not had the slightest evidence of any such inclination on the part of honorable members opposite. They say that the proviso is perfect.

Mr. McCAY.—The Prime Minister and myself have stated that verbal alterations would be considered, but that we cannot consent to any interference with the principle.

Mr. POYNTON.—The amendment of the honorable member for Bland is not merely a verbal alteration, but recognises an element which is entirely ignored by the proviso as it stands. It provides for the substantial representation in numbers and competence of those engaged in an industry.

Mr. McCAY.—But it does not recognise majorities.

Mr. POYNTON.—Because in some cases it is very difficult to prove that the applicants represent a majority. I fail to see the importance of the provision for the representation of majorities. Where do the elements of equity and good conscience come in, if the Court is to be restricted in the way proposed? It seems useless to argue further. The amendment apparently is, like the laws of the Medes and Persians, unalterable. It is the embodiment of the wisdom of honorable members opposite, and, therefore, cannot be wrong. The opinions of those who have been associated with trade unions almost from their youth go for nothing.

Mr. McWILLIAMS.—Is the honorable member satisfied with the alternative amendment?

Mr. POYNTON.—No, but I prefer the alternative amendment to the proviso. I take that view only because the decisions of the Arbitration Courts in New Zealand and New South Wales upon applications for preference have been based upon con-

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sideration for the number and competence of the applicants.

Mr. Joseph Cook.—If the Bill develops defects in its working it can be amended.

Mr. POYNTON.—No doubt; but the honorable member must recognise that there is a possibility of the Bill being availed of by bogus unions to the prejudice of the *bonâ fide* trade organizations.

Mr. Joseph Cook.—When that occurs, it will be time enough for us to amend the Act.

Mr. POYNTON.—One trade union has already been nearly ruined in its efforts to expose a bogus union.

Mr. Robinson.—It was the political tricks of other unions which were responsible for that result.

Mr. POYNTON.—The whole crux of this question is contained in that interjection, which completely betrays the hand of the other side. Obviously, some honorable members wish to utilize this Bill as a piece of legislative machinery to destroy the political aspect of trade unions. That is their object. I appeal to the honorable and learned member for Wannon to say whether he does not believe that the measure will cripple the political character of those organizations?

Mr. Robinson.—I do not say that at all.

Mr. POYNTON.—The whole trend of the measure is to deprive trade unions of the powers which they already enjoy. Under this Bill, in its present form, the secretary of a union cannot acknowledge a letter from a parliamentary candidate, or in any way countenance the use of a hall for the purpose of holding a political meeting.

Mr. Joseph Cook.—That is pure exaggeration.

The CHAIRMAN.—I think that the honorable member is rather anticipating another discussion.

Mr. POYNTON.—I apologize. If the honorable member for Parramatta were upon this side of the Chamber, and another Government attempted to deprive unionists of a preference, he, as a unionist of many years' standing, would take up a very different position. When he talks about coercion, I ask him to remember that he himself has stood upon the shaft-top of a coal mine, and refused to allow men to go below until they had become unionists.

Mr. Joseph Cook.—That was the rule for 200 years.

Mr. POYNTON.—For over ten years in this State, whilst I was engaged working in the mines, no man was permitted to go below unless he were a unionist. Yet we are now asked to sacrifice all the rights which unions have hitherto enjoyed upon the altar of a measure which is ostensibly introduced to benefit those organizations. I say that in the absence of a Bill of this description trade unions have nothing to fear. In spite of opposition of the character offered to them by the honorable and learned member for Wannon and others who would have crushed these organizations if it were possible to do so, they succeeded in making wily politicians bend to their will long before there was any Labour Party or any Political Labour Leagues in existence.

Mr. McWilliams.—Who are the "wily politicians?"

Mr. POYNTON.—It is very difficult to discriminate. When I used that term I meant that every reform movement has its origin outside of Parliament. I have never known any legislation to be enacted which had its origin within the walls of Parliament. I did not use the term "wily" in any offensive way. We know that at the last election the present leader of the Government went before the electors upon a certain issue. He thought that it was wise for him to raise that issue. The leader of the Deakin Administration, however, said in effect, "No, we intend to make fiscal peace the issue at the elections." Similarly to a great extent all Members of Parliament are compelled to pay attention to which way the wind is blowing. I intend to support the amendment, although I am not at all enamoured of it, and would much prefer to leave the Arbitration Court unfettered in the exercise of its discretion.

Mr. JOHNSON (Lang).—The honorable member for Grey has quoted *Hansard* with a view to confirming a statement which he made at an earlier stage this morning. I find, however, upon referring to that publication, page 1174, that what is there reported absolutely bears out the statement which I made by way of personal explanation to-day, namely, that the attitude which I took up towards the Deakin Government had no connexion whatever with the amendment which is now under consideration, and that it did not affect the merits of the Bill as a whole. That amendment had not then been thought of.

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Mr. WATSON.—The Deakin Administration imposed no qualification upon the granting of a preference.

Mr. JOHNSON.—The question which was then at issue had nothing whatever to do with the extension of a preference to unionists. At that time the provision under consideration was clause 4, paragraph (*b*), which reads as follows:—

In this Act, except where otherwise clearly intended, "industrial dispute" means a dispute in relation to industrial matters . . . certified by the Registrar as proper in the public interest to be dealt with by the Court, and extending beyond the limits of any one State, but does not include a dispute relating to employment in the Public Service of the Commonwealth, or of a State, or to employment by any public authority constituted under the Commonwealth or a State.

Upon that proposal the honorable member for Wide Bay had moved by way of amendment—

That after the word "State" the words "but does not include" be omitted, with a view to insert in lieu thereof the words "and includes."

Mr. POYNTON.—I prefaced my remarks by saying that the statement which I quoted was made when that clause was being considered.

Mr. JOHNSON.—My remarks referred particularly to the proposal to include public servants in this Bill, and had absolutely no connexion whatever with the clause under discussion. Nor is there one word in any of my speeches upon this subject as reported in *Hansard*, which is capable of bearing the construction put upon my utterances by the honorable member for Gwydir, who declared that I expressed myself as opposed to the Bill, "lock, stock, and barrel." On the contrary, reference to *Hansard* will show that I am not opposed to the Bill, although I do not regard compulsory arbitration as the panacea for all labour troubles. I simply look upon it as experimental legislation of doubtful utility, even to those in whose special interests it is designed. Upon page 1174 of *Hansard*, honorable members will see that I stated—

On the merits of the proposed amendments, I have, so far, an open mind. I mention these matters to show that there is no justification whatever for the feverish haste that has been displayed in pressing forward a measure of this character at the beginning of a session which might have been devoted to useful legislation. The Government, however, are entirely responsible for that, and for any consequences which may follow their act. To my mind, the crux of the present position is, not whether the employés of the States or the railway servants should be included in the operation of this Bill, but whether a Ministry which is responsible for the mischievous legislation from which we have suffered during the past two or three years shall be permitted to continue to occupy the Treasury bench.

It will thus be seen that my attitude had nothing whatever to do with the clause which we are discussing at the present time, but related to a proposal of an entirely different character, namely, the proposal to bring public servants within the operation of this Bill.

Mr. WATKINS (Newcastle).—I confess that the amendment proposed by the leader of the Opposition does not go far enough to please me. It is certainly a vast improvement upon the clause in the form in which it is proposed by the Government, but that is all that can be urged in its favour. Doubtless it was submitted with a view to showing the Government that its author is prepared to meet them in a reasonable way. But I would warn the leader of the Opposition that in submitting to continual encroachments by the Government upon the principles of the Bill, he is likely to sap the very foundations of unionism. It is possible for him to yield too much in that direction. It is absolutely unjust that one of the parties to this legislation should be asked to forego all the advantages which it at present enjoys without receiving anything whatever by way of compensation.

Mr. MALONEY (Melbourne).—I regret that there is not some ready means of settling differences that occur between the two Houses of the Parliament. The amendment made by the Senate is a very important one, but the Government, in their wisdom, cannot see their way to accept it. It was carried by a fair majority in another place, and has the support of a very large minority in this Chamber. So far as this and the other amendments made by the Senate are concerned, it would appear that it is a question of a large majority of the Senate, plus a large minority of this House, against a small minority in the Senate. plus a small majority in this House. I am perfectly certain that if we could bring the 111 members of the two Chambers together to settle the question, this amendment would be carried. It does not ask that an injustice should be done to any one. It is contended that it seeks to give to one set of men that which non-unionists could not claim. If that be so, what is there to prevent non-unionists from joining the ranks of unionism? That argument is, to my mind, as illogical as would be the conten-

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tion that it is unfair that any one wishing to join either of the two professions of law or medicine must first prove, by passing certain examinations, that he possesses the knowledge entitling him to call himself a doctor or a lawyer. Then, again, no man is allowed to call himself "reverend," and to perform a marriage ceremony, unless he is registered and belongs to the union; no medical man can sign a death certificate unless he is registered, and belongs to the union of the medical profession; while no man can charge certain sums in respect of advice to a litigant unless he has been admitted to the legal profession. There are a great many members of the legal profession sitting on the opposite side of the Chamber, and I ask them to seriously consider whether it would not be well for us to accept the Senate's amendment, and to go away joyous and happy, to seek rest from the turmoil through which we have passed since the opening of the session. To me the issue is an extraordinary one. Seventy-five members of this House, returned by the aggregate wisdom of the various majorities in the different constituencies of the Commonwealth, propose to reject an amendment made by another place, and to insult the greater part of the population of Australia, as represented by that Chamber. Three Ministries have been wrecked in connexion with this measure, and, without desiring to make any unpleasant suggestion, I would point out that a fourth is now in trouble in regard to this very question. I propose to make a suggestion which ought to appeal to the intelligence of the Committee. If I may claim the kindly courtesy of the Prime Minister, I think that information should be placed before us as to what would be the cost of obtaining the opinion of the voters who created this Parliament in regard to any difference arising between the two Houses. There is no doubt that this amendment, and the others dependent upon it, constitute the sole difference of opinion between the two Chambers, and that there is a large majority of the members of the Parliament as a whole in favour of them. I obtained from one large city company, which carries out the work of addressing envelopes, information which enables me to form some estimate of what would be the cost of taking an open referendum through the Post Office. It seems to me that difficulties of this kind could be easily settled if the Prime Minister and his colleagues, with the approval of the majority of the House, sought the opinion of the people in what may be called, for the sake of clearness, an open referendum. In round figures there are 2,000,000 adults in Australia, and 2,000,000 double post-cards might be issued bearing the question whether the electors to whom they were addressed would accept the Bill, as amended by the Senate, or as it was sent by us to another place. On the 31st December last there were 2,073,200 adults in the Commonwealth, but the number enrolled was only 1,893,586. Taking the larger figures, the cost of 2,000,000 double post-cards would be £1,500. The charge for addressing 1,000 envelopes in the city of Melbourne is 7s. 6d., and at this rate the cost of addressing the 2,000,000 post-cards would be £750. Then we may allow £1,000 for the cost of checking and scrutinizing the answers, although I do not know why this work should cost £250 more than that of addressing the cards. Allowing a further sum of £750 in respect of contingencies, we have a grand total of £4,000. By making such an expenditure, we should be able to ascertain the desire of the electors of Australia in regard to a difference of opinion occurring between the two Chambers on a question of great moment. I feel sure that honorable members will agree that such an expenditure would be trifling, as compared with that incurred as the result of the desire of the Opposition on the one hand, to see the Bill carried in a form in which it would apply to every unit, and the desire of honorable members opposite on the other, to confine its operation to a limited number. The expense attendant upon the retirement of three Ministries alone must have been much greater than would be the cost of taking a referendum in the way I have suggested. We contend that every human being should be able to come under the provisions of this measure, and that we should not render it difficult for the Court to determine whether a union applying for preference substantially represents the workers in the trade, or calling, to which it relates. I am informed by a gentleman that whilst travelling in one of the tram cars of this city he saw an officer approach the conductor, and heard him say, "Give me all the money in your pockets." The conductor had to comp[illegible] this request. After this rudely-sp[illegible] had left the car my friend [illegible] was the reason for his act[illegible] that it was the marks of [illegible]gulation, which compelled

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conductors to produce the money in their possession whenever they were required to do so. In the eyes of a stranger unacquainted with the true position of affairs, the action of the officer suggested that the conductor was a thief. I am sure that honorable members, and more particularly the representatives of New South Wales, would not permit such a system to exist in Sydney. If the amendment proposed by the honorable member for Bland were carried, and the employés of the tramway service in Melbourne were allowed to form a union, I feel satisfied that that organization would more than represent the majority of those actually engaged in that calling. I plead with the Government to endeavour to arrive at some easy method of settling these difficult questions. I presume that if the life of this Parliament extends over its full term of three years, similar difficulties to that which now confronts us are likely to recur. We are to-day face to face with a situation the equal of which has never previously occurred. We have the will of a second Chamber more democratic, more advanced, and more in touch with the people of Australia than is that which is commonly called the people's Chamber, flouted by a small majority in this House. The two Chambers are in conflict, and I think that the suggestion I have made would be a ready means of settling the difficulty. It would not lead to the employment of an additional postal officer, and as the Department is under the control of the Federation, the cost of postage would be avoided. As the result of such a referendum we should get rid of the present unsatisfactory position. Whether the Opposition, or the Government won, if the Ministry in its generosity saw fit to accept my proposal there would be an end to the trouble, and the Ministry and its supporters, in common with the Opposition, would be able to enjoy a well-earned holiday. If the Government are determined not to accept the Senate's amendment they will receive the support of all the Conservatives in Australia, if such a class of politicians still exist here. At present the great Protectionist Party of Victoria is rent asunder, and I appeal to them to unite in supporting the amendment which the honorable member for Bland has submitted in a spirit of fairness, and for which I myself intend to vote.

Mr. RONALD (So... ...ourne).—I think that the amend... ...d [illegible] honorable member for Bland is of the very essence of compromise, and one which, if there be any idea of concession on the part of honorable members opposite, ought to be accepted without demur. It would certainly make the Bill more workable, and would obviate the tendency to litigation which might otherwise arise. We are here to place this measure on the Statute-book in clear, unmistakable Anglo-Saxon terms, so that he who runs may read. We are not here to create work for lawyers; our duty is to declare on the face of the Bill exactly what we mean. We are assured by the Government that they are anxious that the Bill shall be not a dead letter, but an effectual means of settling disputes between employers and employés. If that be so, there is only one way in which they can achieve their purpose. The position is narrowed down to this: that if the Government are anxious to make the Bill a workable one they must recognise that the amendment proposed by the leader of the Opposition is a finger-post, pointing the clear road to right doing, and that they ought to accept it. The Government proposal would lead to endless litigation, and would prove a fruitful source of profit to members of the legal profession. It would never be accepted by trade unionists as the final method for the settlement of disputes. The amendment requires that the Court must be satisfied that the organization applying for preference substantially represents the industry affected in point of number and competence of its members. I am glad that the last three words have been added, because a numerical majority may not substantially represent an industry. A majority which substantially represents an industry must be a competent majority. I do not think that honorable members are fully aware of what the trade unions take upon themselves in accepting the amendment. We pledge them to see that their members are competent, that they have served their apprenticeship, and are skilled handicraftsmen. It will be the duty of every trade union appealing for preference to show that it has a numerical superiority over the non-unionists in the trade, and that its members have served their apprenticeship, and are skilled in their trade or calling. The honorable member for Melbourne pointed out that the medical profession is a close trade union, which no man can enter who has not obtained the necessary diploma. Similarly, in the leading historical branches of the Christian

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Church, no one is intrusted with ministerial functions who has not passed examinations which justify his being called to that high position. Further, no one can appear in the courts of the country on behalf of another if he has not shown himself to be possessed of the legal training necessary to make him a fit guide in legal matters. Trade unions are now being put on the same footing. By accepting the amendment, we shall require the trade unions to insist upon the technical training of their members. Thus the amendment will serve a double purpose. It will secure that those who are most interested in a trade or industry shall, when necessary, be able to obtain preference from the Arbitration Court, and it will guarantee to the public at large, and to employers in particular, the competence of members of trade unions. All through, the trade unions have insisted on the apprenticeship of workmen. No men are more jealous of the black-leg or the unqualified workman than are the properly qualified trade unionists. We want to encourage this feeling, and the amendment will do so. The proviso, however, would, as it stands, lead to endless litigation, because of the difficulty of proving whether the majority of the trade affected was or was not contained in the trade union applying for preference. We wish to make the Bill a credit to ourselves, and I am sure that the Government would like it to be a workable measure; but if the proviso is passed as it stands, the measure will be valueless. With the amendment of the leader of the Opposition, we can commend it to the trade unions, and it will, I believe, be acceptable to them; but, without the amendment, it would prove a curse instead of a blessing. I would rather see the Bill consigned to oblivion than vote for a measure which would increase industrial strife and trouble, and multiply litigation. Let us have an end to political hypocrisy, and seriously set ourselves to provide for the settlement of disputes by rational and constitutional methods. When we have done that, we can lay the flattering unction to our souls that we have done what we could to prevent unnatural strife between capital and labour, and to bring about an era of peace and good-will. The worker will have the assurance that his rights will be respected, while the capitalist will know that he will receive justice and consideration. So far from the measure hindering investment, and driving capital from the country, it will give an inducement to capital to come here. If, however, the amendment is not accepted—and I am afraid that it will not be—it will be only a matter of time before an amending Bill is introduced, because the measure will be found to be utterly unworkable. The preamble sets out that the measure is a Bill for an Act for the settlement of industrial disputes. Let us make it what it professes to be. It cannot be a true Conciliation and Arbitration Bill unless the amendment of the leader of the Opposition, which is in the nature of a compromise to meet the views of another Chamber, is accepted. I ask honorable members to consider this matter with a view to avoiding a crisis. The amendment has been moved in a spirit of conciliation and compromise, and, if it is negatived, the Government must take the consequence.

Honorable Members.—Divide.

Mr. Reid (East Sydney—Minister of External Affairs).—My honorable friends, after speaking at considerable length all the morning, are suddenly anxious for a division. Knowing their patient tactics, I am led by instinct to the conclusion that some of my supporters must be beyond the reach of the division bells. I am very anxious that in the settlement of these important issues, which must, at some time or other, inevitably come before the people, our conclusions shall not be the result of snatch votes, sprung upon one side or the other. In dealing with my honorable friends opposite, I have never asked for a division until they were fully prepared. I do not say that a surprise was intended just now, but the sudden clamour for a division, sounding on the ears of an old parliamentarian, and coming from an Opposition that has seemed to be entirely oblivious to the value of time, or the expense of parliamentary institutions, makes my supposition a probability.

Mr. Watson.—That is a very audacious statement, seeing that Government supporters "stone-walled" this morning.

Mr. Reid.—The speeches made by Government supporters were all short in comparison with the portentous deliverances of honorable members opposite, which went to the length of sickening repetition.

Mr. Watson.—That is a reflection on the Chair.

Mr. Higgins.—As I understand that we are dealing with the Senate's amendment on the preference clause, I ask if the remarks of the Prime Minister are relevant?

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Mr. REID.—I was involuntarily taking one-thousandth part of the latitude which other honorable members have been enjoying all the morning, though I do not wish to set a bad example to my honorable friends opposite, because I know how quickly they would follow it.

The CHAIRMAN.—The question before the Chair is the amendment of the honorable member for Bland. I understood the Prime Minister to be making an explanation of his reasons for speaking at this particular juncture.

Mr. REID.—I do not wish to transgress the rules of debate, even in making an explanation, but as the discussion has been prolonged I am anxious to clearly define the position of the Government, and of those who are supporting them in this matter. As honorable members will recollect, I desired last night, because of the great amount of time which has been occupied in the consideration of the Bill, to have a division forthwith on the amendment of the leader of the Opposition. That amendment is well known, since it is word for word the same as a suggestion made by the honorable member in this chamber some months ago, when the proposed recommittal of clause 48 was before us. I therefore was very brief in my utterance last night, but now that the debate has been prolonged to such a length, I feel it necessary to state clearly the view of the Government in regard to this proposition. There are persons who differ as to the importance of the amendment of the honorable member for Bland. The honorable member for Parramatta quoted the honorable member as saying that in his opinion his amendment was practically the same as the proviso adopted by the Committee.

Mr. WATSON.—The honorable member for Parramatta did not quote me quite correctly.

Mr. REID.—I have read the honorable member's statement in *Hansard*, and, with every desire to be fair to him, I say that I think that the honorable member for Parramatta made a perfectly correct statement in regard to one speech, at any rate. I do not know whether my honorable friend qualified his statement afterwards, but dealing with that speech the honorable member for Parramatta fairly quoted the remarks of the honorable member for Bland.

Mr. WATSON.—Does the right honorable gentleman wish to draw me up in reply to him?

Mr. REID.—No, I do not. I wish to say only a few words. I differ from the honorable member for Parramatta. I think that there is a substantial difference between the two amendments. If there had not been, the late Opposition would have had no justification whatever for refusing to recommit the clause, or for taking up the stand they did. The only justification we could have had was that there was a serious difference between the two amendments; so serious was it that we were not prepared to consider any modification of our proposal. Now that the honorable member asks us to consider a modification of precisely the same kind that we were formerly unable to accept, I want to define the position of the Government in this way: If the two amendments were substantially the same, I should have no objection in the interests of the Bill to adopt the amendment proposed by the honorable member for Bland, but the Government consider that there is a vital difference between the two proposals, and that prevents us from accepting the modification before us.

Mr. WEBSTER.—What is the difference?

Mr. REID.—In my view, if there were 1,000 men engaged in an industry, and 100 men in a union registered under the Act became parties to a dispute in the Arbitration Court, they would substantially represent the 1,000, within the meaning of any interpretation which the Court would put upon the proposal of the honorable member for Bland. I am willing to accept the principle of majority rule, but I am not prepared to adopt a conclusion of the kind I have indicated.

Sir WILLIAM LYNE. — Surely the right honorable gentleman does not seriously say that 100 men would substantially represent 1,000?

Mr. REID.—I say that 100 men, in a case such as I have mentioned, would very substantially represent the 1,000. For instance, I substantially represent this House in one sense of the word, and yet I am only one member.

Mr. WATSON.—The right honorable gentleman is entitled and authorized to speak for the House under some circumstances.

Mr. REID.—And the 100 men, if they were authorized, would be competent to speak for the 1,000. I do not wish to detain the House. My sole desire is to mention the view the Government take.

Mr. WEBSTER (Gwydir).—Mr. Chairman——

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Mr. Joseph Cook.—This is too bad altogether.

Mr. Reid.—It costs the people £1,600 per day to keep this kind of thing going.

Mr. WEBSTER. — They are getting value for their money.

Mr. Reid.—The honorable member costs the public £500 per day, and he is not worth that amount.

Mr. WEBSTER.—That is not for the right honorable member to say. The Prime Minister has at last distinctly explained why he cannot accept the amendment proposed by the honorable member for Bland. He has stated that in the event of its being adopted, if 100 men belonged to a union, they could control 900 others engaged in the same industry. As a matter of fact, that does not occur under the law as it is applied in New South Wales and in New Zealand.

Mr. Reid.—Because there are no such words as those proposed by the honorable member for Bland embodied in the law as it stands to-day.

Mr. WEBSTER.—The Arbitration Court in New South Wales has proceeded upon practically the same lines as those proposed by the honorable member for Bland. It has taken into consideration the question whether the applicants for preference represent a fair percentage of those engaged in the industry. In order to show the improbability of such results as those predicted by the Prime Minister being brought about, I would point out that in New South Wales recently, a union, embracing 250 men, applied for preference, but as there were 1,250 men employed in the industry, the Court held that the unionists had no just claim for preference.

Mr. Reid.—Because words similar to those embodied in the amendment are not contained in the Act. If they had been, the unionists would have obtained preference.

Mr. WEBSTER.—Does the right honorable gentleman seriously pretend that if there were 250 men in a union, they could prevent 750 non-unionists in the same industry from obtaining employment? It is absurd to maintain any such thing. The right honorable gentleman has no right to insult honorable members upon this side of the Chamber, and also the Chairman, by stating that he has been listening to sickening repetitions. That is not only a reflection upon honorable members, but also upon the Chairman, whose duty it is to see that no tedious repetition takes place. As I have said previously, we have a duty to perform. If the honorable member for Wentworth will persist in sitting in front of me and annoying me, I shall take measures to prevent him.

Mr. Kelly.—I rise to a point of order. The honorable member for Gwydir has taken umbrage at my sitting opposite to him, and I should like to ask you, Mr. Chairman, whether the objection is justifiable?

Mr. WEBSTER.—I shall not continue my remarks whilst the honorable member is sitting in front of me. I shall resume my speech from a position alongside of him.

Mr. Webster, having crossed the floor of the Chamber—

The CHAIRMAN.—Order!

Mr. WEBSTER.—I presume that I am entitled to resume my speech from this position, alongside the honorable member for Wentworth.

The CHAIRMAN.—Order! The honorable member for Wentworth has asked, upon a point of order, whether the honorable member for Gwydir was in order in taking exception to the position he occupied in the House. I would point out that any honorable member has a perfect right to occupy any convenient seat, apart from the Treasury bench.

Mr. WEBSTER.—I did not take exception to the honorable member's position in the House. What I objected to was his attempts to throw ridicule upon my speech.

Mr. Wilks.—Why has the honorable member crossed the Chamber? His sole object is intimidation.

Mr. WEBSTER.—Nothing of the kind. I desire to bring before the notice of honorable members the detrimental effect that the Bill will probably have upon the legislation of the various States. In New South Wales we have an arbitration law which is far in advance of the Bill which the Government are seeking to place upon the Statute-book. The Arbitration Act in Western Australia, with all its faults, is of a more effective and liberal character than the Bill now before us.

The CHAIRMAN. — The honorable member must not debate the Bill as a whole.

Mr. WEBSTER.—I am endeavouring to show the effect of the proposed clause upon the arbitration laws which obtain in the States.

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The CHAIRMAN.—Order! I would point out that the question before the Chair is not the proposed clause, but the amendment proposed by the honorable and learned member for Bland.

Mr. WEBSTER.—I desire to point out that the adoption of the proviso will probably have a prejudicial effect upon the laws which may be framed by those States which have not already passed legislation for the creation of Arbitration Courts. Preference is granted under the States laws which are in operation, and to pass a Bill in the form proposed by the Government, would be to cast a serious reflection upon the progressive character of this Legislature.

Mr. REID.—Does not the honorable member think that he had a fair innings last night and to-day; he is only one man amongst seventy-five?

Mr. WEBSTER.—The Prime Minister will not budge an inch from the position he has taken up, but he expects others to give way.

Mr. REID.—The honorable member cannot force a man by the exercise of brute strength to vote against his wishes.

Mr. WEBSTER.—I am not trying to influence the right honorable gentleman by brute force.

Mr. KELLY.—What about me, though?

Mr. WEBSTER.—We were anxious to proceed to a division, only a few moments ago, when the Prime Minister started to stonewall the measure. He expects other members to cease when he says that it is time for them to stop.

Mr. REID — The honorable member thought that two of my supporters were away; that is the extent of his patriotism.

Mr. WEBSTER.—I am justified in standing here as long as I think fit, to oppose legislation such as that now contemplated by the Government. The people of New South Wales are entitled to look to us to protect their interests. The Prime Minister is endeavouring to force an objectionable Bill upon the country, and we are trying to prevent him.

Mr. WILSON.—The honorable member cannot prevent him.

Mr. WEBSTER.—At least I can do all that lies in my power. I have no desire to repeat what I have said upon previous occasions. If the Chairman rules that it is inadmissible for me to refer to the effect of this legislation upon State legislation and prospective State legislation——

Mr. KELLY.—I rise to a point of order. In the arbitration legislation which is operative in the various States of Australia, I understand there is no such provision as that which is now under consideration.

Mr. WATSON.—Yes, there is.

Mr. KELLY.—I wish to ask if the honorable member is in order in discussing a proviso to a clause from the stand-point of State legislation, when no such proviso is contained in State legislation?

The CHAIRMAN.—I fail to see the reason why the question of State legislation has been raised. The honorable member for Gwydir is entitled to gain information from the Chair as to whether he is in order in referring to the effect which this legislation will have upon State legislation.

Mr. REID.—I wish, sir, that you would give it to him.

Mr. WEBSTER.—It seemed to me that you, sir, were denying me the right to refer to State legislation for the purpose of pointing my argument.

The CHAIRMAN.—The honorable member has misunderstood me. I merely requested him to refrain from debating this legislation generally, and to confine himself to the amendment which is under consideration.

Mr. WEBSTER.—I wish to place upon record the fact that the proposals embodied in this Bill are absolutely antagonistic to the legislation which is operative in two of the States at the present time. The measure does not reflect the progressive character of that legislation. It constitutes a retrograde movement, and consequently is unworthy of this Parliament. What kind of an object lesson will this Bill afford to those States in which no arbitration law is in operation to-day? It will probably have the effect of inducing them to model their legislation upon the same lines. As honorable members are aware, the operation of the New South Wales Conciliation and Arbitration Act is limited to six years, at the end of which period it must be re-enacted or its provisions will lapse. In view of that fact, I exceedingly regret that the Government cannot approach a little nearer to legislation which is reasonable and effective than they have done.

Mr. WATSON (Bland).—A few minutes ago the Prime Minister quoted certain remarks by the honorable member for Parramatta, with a view to showing that I was reported in *Hansard* to have admitted that there was no difference between the proviso embodied in the Bill, at the

instance of the Minister of Defence, and the amendment which is now under consideration.

Mr. Reid.—I did not say that. I admit that the honorable member declared that there was a difference.

Mr. Joseph Cook.—The honorable member affirmed that his proposal would be interpreted by any Judge to mean that a majority of those engaged in any industry affected by an award must approve of a preference being granted to unionists before it would be extended to them.

Mr. WATSON.—That is quite a different matter. I certainly did say that the Court, in the absence of any limitation, would be guided by the practice which has already been established in New Zealand and New South Wales. That practice is to insist, as far as possible, that those who apply for a preference shall constitute a majority. But I contend—and I have always contended—that there is a very wide distinction between my proposal and the amendment which was carried at the instance of the honorable and learned member for Corinella.

Mr. Reid.—The honorable member said that there would be a difficulty in establishing the fact that a majority approved of a preference being granted.

Mr. WATSON.—Yes. It is that difficulty to which I object, rather than to the Court granting a preference to an actual minority.

Mr. Reid.—We do not wish to allege any more than the honorable member admits.

Mr. WATSON.—From the remarks of the honorable member for Parramatta I inferred that I was alleged to have stated that the two amendments practically amounted to the same thing.

Mr. Reid.—I did not desire to convey that impression.

Mr. JOSEPH COOK (Parramatta).—I am very sorry to again interpose in this debate, but the matter under consideration is of some concern to me. In the electorate which I represent there is a very large number of unionists, and I wish to put myself right with them, in view of the statements of the Prime Minister and the leader of the Opposition. What I said, during the course of my previous remarks, was that the leader of the Opposition had insisted that his amendment was the only practical means of insuring that the President of the Arbitration Court should not grant a preference unless a majority of those interested in the award asked for it.

Mr. Higgins.—I think that the honorable member puts the case too strongly.

Mr. JOSEPH COOK.—For instance, the main objection of the leader of the Opposition to the proposal which was inserted at the instance of the Minister of Defence is that it is impossible to establish the fact in connexion with all industries that a majority desire a preference.

Mr. Watson.—Under the McCay amendment that fact cannot be proved.

Mr. JOSEPH COOK.—Exactly. The honorable member does not object to majority rule, but to the difficulty that would be experienced under the proviso which the Government support in proving that a majority were in favour of a preference. I, on the other hand, can foresee no difficulty whatever in convincing the Arbitration Court in connexion with all well-organized unions that a majority of those engaged in the industry desire a preference. Since there will be no difficulty in convincing the Court of that fact, there is no need for any further amendment.

Mr. Watkins. — Then the honorable member disagrees with the Prime Minister.

Mr. JOSEPH COOK.—Of course I do. I apply the reasoning and experience of the leader of the Opposition to my own view of the case.

Mr. Higgins.—Then the honorable member ought to cross over to this side of the Chamber.

Mr. JOSEPH COOK.—I entertain the view, singularly enough, that the amendment inserted at the instance of the Minister of Defence really crystallizes the practice which the leader of the Opposition desires to see inaugurated.

Mr. Watson.—It crystallizes it in an unworkable form.

Mr. Higgins.—Does the honorable member for Parramatta think that unionists prefer the amendment supported by the Government to that which is under consideration?

Mr. JOSEPH COOK.—Honorable members opposite pretend to say that all unionists are in favour of their amendment.

Mr. Higgins.—Which is "their" amendment?

Mr. JOSEPH COOK.—That which has been submitted by the leader of the Opposition.

Mr. Higgins.—I am glad that the honorable member admits that that is the amendment of the unionists.

Mr. JOSEPH COOK.—I claim to be as good a unionist as the honorable member,

and I am as capable of deciding upon the merits of this matter as any unionist outside of this House. I make that statement with all deference and respect.

Mr. HIGGINS.—The honorable member will admit that he is voting against the wishes of unionists?

Mr. JOSEPH COOK.—I do not. When the matter is explained to them, I am satisfied they will see that there is nothing wrong in what the Government propose. Ever since this clause was first debated, I believe that a tissue of misrepresentations has been indulged in as to its effect upon them.

Mr. HIGGINS.—We say that too.

Mr. JOSEPH COOK.—If we place this measure upon the Statute-book, we shall see who is right. I confidently predict that we shall experience none of the troubles anticipated by honorable members opposite. It will be proved that in all their talk during the past three or four months, they have been chasing so many wild shadows, and that they have conjured up many hypothetical cases which will never come before the Arbitration Court.

Mr. WATKINS.—We believe that the Prime Minister is sometimes right.

Mr. REID.—I agree with the leader of the Opposition as to what was his statement of the position.

Mr. JOSEPH COOK.—I take my own course upon the present occasion, in the light of my own experience. The leader of the Opposition has repeatedly stated that he wishes to see the principle of majority rule applied to the granting of a preference. He believes that in actual practice the President of the Arbitration Court will require to be convinced that a majority approve of that preference, and he entertains no objection whatever to that tribunal refusing a preference to minorities. The Government wish to retain in the Bill a straightforward intelligent proposal for granting a preference. That proposal directs that the Judge must grant a preference if there be a majority of applicants in favour of it.

Mr. WATSON.—It does nothing of the sort.

Mr. JOSEPH COOK.—It amounts to that.

Mr. WATSON.—Nothing of the sort.

Mr. JOSEPH COOK.—Does the leader of the Opposition say that, under this provision, the President of the Arbitration Court would refuse to grant a preference to unionists if a majority asked for it?

Mr. WATSON.—He can refuse to do so. The honorable member ought to know that.

Mr. JOSEPH COOK.—I know he can; but if we were to refuse to do so, we should have to conceive a set of circumstances which are almost outside human comprehension. Does the honorable member for Bland say that under this clause, if an ordinary dispute occurred, and a majority of those affected applied for a preference, the Court would refuse to grant it? Such a proceeding is almost unimaginable. The provision directs that where a majority asks for a preference, the Court may grant it, but "may" there, I take it, means "shall."

Mr. GROOM.—I do not think that is the intention.

Mr. JOSEPH COOK.—I assume that the Court will interpret this clause as it will interpret any other provision in the Bill. Consequently I claim that when a majority applies for a preference, it will be granted, unless an extraordinary state of things should arise. If such a state of things did arise, no doubt an extraordinary way of dealing with it would be adopted by the Court. But, under ordinary circumstances, I claim that the proviso in the clause amounts to a direction that the Court shall extend a preference to unionists when a majority apply for it. Since the leader of the Opposition desires only to insure that a majority should receive a preference when they ask for it, I claim that the Government proposal constitutes a straightforward method of dealing with the matter, and is therefore preferable to the indefinite and difficult method which is contained in the amendment.

Mr. HIGGINS (Northern Melbourne).—The honorable member for Parramatta is distinctly under a misapprehension as to the meaning of this clause. He imagines that the effect of the provision in its present form is that if a majority approve of a preference being granted to unionists, the Court is bound to concede that preference. I venture to say—and I am prepared to pledge any reputation which I have upon my statement—that he is wrong. If he thinks that he is going to persuade the unionists in his constituency, to whom he has referred, that that is the case, he is making a great mistake. The provision here is simply negative. It is not proposed to give preference unless there be a majority. It is just the same as if we gave a person power to distribute pennies among a number

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of school children, but subject to the condition that he must not give a penny to any child unless it had a clean face. That would not mean that he would give every child a penny. I should be very sorry if on an important division of this sort, when the probable majority is so slender and when the Prime Minister rests solely upon majority rule, as he calls it, there should be even one vote cast on the wrong side owing to a misunderstanding of the clause.

Mr. BROWN (Canobolas).—I wish to express my appreciation of the fact that the misunderstanding as to what the leader of the Opposition did or did not say in regard to this proposal is being cleared up. I feel that as the result of an interjection made by the honorable member for Parramatta in regard to this matter I have been placed in a false position. Earlier in the day, while I was endeavouring to show the difference between the Government proposal and that put forward by the Opposition, I understood the honorable member for Parramatta to interject that the leader of the Opposition on a previous occasion had expressed the opinion that there was no difference between his amendment and that which was carried on the motion of the honorable and learned member for Corinella before the Bill was sent to another place.

Mr. JOSEPH COOK.—I merely said that he had admitted that all he desired was to secure a majority.

Mr. BROWN.—It is sometimes difficult to clearly hear interjections made by honorable members. My impression was that the honorable member meant to say that the leader of the Opposition had expressed the opinion to which I have just referred. I was not in a position at the moment to verify that assertion. I accepted it as being correct, and proceeded to controvert the opinion said to have been expressed by the leader of the Opposition by quoting the views of the late Attorney-General of New South Wales, the Hon. B. R. Wise. I am glad that the matter has been cleared up, and that the leader of the Opposition has not at any time taken up a different attitude from that which he now assumes on this question.

Question—That the words proposed to be added be added—put. The Committee divided.

Ayes	29
Noes	32
Majority	3

AYES.

Bamford, F. W.	McDonald, C.
Batchelor, E. L.	O'Malley, K.
Brown, T.	Poynton, A.
Carpenter, W. H.	Ronald, J. B.
Chanter, J. M.	Spence, W. G.
Crouch, R. A.	Thomas, J.
Fisher, A.	Thomson, D. A.
Fowler, J. M.	Watkins, D.
Groom, L. E.	Watson, J. C.
Higgins, H. B.	Webster, W.
Hughes, W. M.	Wilkinson, J.
Hutchison, J.	
Lyne, Sir W. J.	*Tellers:*
Mahon, H.	
Maloney, W. R. N.	Frazer, C. E.
Mauger, S.	Tudor, F. G.

NOES.

Bonython, Sir J. L.	McColl, J. H.
Cook, J.	McLean, A.
Deakin, A.	McWilliams, W. J.
Edwards, R.	Phillips, P.
Ewing, T. T.	Quick, Sir J.
Forrest, Sir J.	Reid, G. H.
Gibb, J.	Robinson, A.
Glynn, P. McM.	Skene, T.
Harper, R.	Smith, B.
Johnson, W. E.	Smith, S.
Kelly, W. H.	Thomson, D.
Kennedy, T.	Willis, H.
Knox, W.	Wilson, J. G.
Lee, H. W.	
Liddell, F.	*Tellers:*
Lonsdale, E.	Fuller, G. W.
McCay, J. W.	Conroy, A. H. B.

PAIRS.

Storrer, D.	Cameron, D. N.
Culpin, M.	Chapman, A.
Kingston, C. C.	Turner, Sir G.
Cook, J. N. H. H.	Fysh, Sir P. O.
Page, J.	Edwards, G. B.
Isaacs, I. A.	Wilks, W. H.

Question so resolved in the negative.

Amendment negatived.

Question—That the Senate's amendment be disagreed with—put. The Committee divided.

Ayes	32
Noes	29
Majority	3

AYES.

Bonython, Sir J. L.	McCay, J. W.
Conroy, A. H. B.	McColl, J. H.
Cook, J.	McLean, A.
Deakin, A.	McWilliams, W. J.
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Forrest, Sir J.	Reid, G. H.
Fuller, G. W.	Skene, T.
Gibb, J.	Smith, B.
Glynn, P. McM.	Smith, S.
Harper, R.	Thomson, D.
Johnson, W. E.	Willis, H.
Kelly, W. H.	Wilson, J. G.
Knox, W.	
Lee, H. W.	*Tellers:*
Liddell, F.	Kennedy, T.
Lonsdale, E.	Robinson, A.

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Brown, T.	Poynton, A.
Carpenter, W. H.	Ronald, J. B.
Chanter, J. M.	Spence, W. G.
Crouch, R. A.	Thomas, J.
Fisher, A.	Thomson, D. A.
Fowler, J. MacK.	Tudor, F. G.
Higgins, H. B.	Watkins, D.
Hughes, W. M.	Watson, J. C.
Hutchison, J.	Webster, W.
Lyne, Sir W. J.	Wilkinson, J.
Mahon, H.	*Tellers:*
Maloney, W. R. N.	Frazer, C. E.
Mauger, S.	Groom, L. E.

PAIRS.

Cameron, D. N.	Storrer, D.
Chapman, A.	Culpin, M.
Turner, Sir G.	Kingston, C. C.
Fysh, Sir P. O.	Cook, J. N. H. H.
Edwards, G. B.	Page, J.
Wilks, W. H.	Isaacs, I. A.

Question so resolved in the affirmative.

Motion agreed to.

Clause 55—

(1.) Any of the following associations may, on compliance with the prescribed conditions, be registered in the manner prescribed as an organization :— . . . .

Provided that no such organization shall be entitled to any declaration of preference by the Court when and so long as its rules or other binding decisions permit the application of its funds to political purposes, or require its members to do anything of a political character. . . .

Senate's Amendment.—Insert "And further provided that no organization shall be entitled to appear before the Court to oppose an application for preference by any organization, so long as its rules or other binding decisions permit the application of its funds to political purposes, or require its members to do anything of a political character."

Motion (by Mr. REID) proposed—

That the amendment be agreed to.

Mr. WATSON (Bland).—I have no objection to the amendment of the Senate being agreed to, but to my mind, it, together with the general provision prohibiting unions from engaging in politics, carries us a great deal further than a number of honorable members desired to go when the original clause was before us. It seems to me, therefore, proper that we should state as definitely as possible how far it is intended to go. What I understood was aimed at in the original amendment of the honorable and learned member for Corinella——

Mr. McCAY.—The amendment was accepted by the honorable member himself.

Mr. WATSON.—With the exception of one or two words, it was drafted by the honorable and learned member, and modified by an amendment of the honorable and learned member for Darling Downs, being accepted by the then Government in its modified form, though with a reservation as to the phraseology. What I understood was aimed at was the prevention of unions from obtaining preference if their members were constrained to take part in party politics. That was the object of the prohibition, as understood by myself, and, I think, by other honorable members, and, as I indicated the other day, I have no objection to such a limitation. I admit that to compel a man to support a political propaganda in which he does not believe is to impose a hardship upon him. But the clause, as it left this Chamber, and as it has been amended by the Senate, goes a great deal further than that, because it prevents unions from obtaining preference if they continue that form of political agitation which has no connexion with party politics, but which has been practised from the initiation of unionism, long before the parliamentary representation of labour was thought of. Such a prohibition would be a distinct hardship on unions, and, I am convinced, would be repugnant to unionists, whether they had a sneaking regard for the Parliamentary Labour Party or not. The great majority of them would not register under the Bill, if they were restrained from engaging in any kind of political agitation, which is the effect of the amendment of the Senate. A union could take no political action whatever, no matter how free that action might be from party politics, or how important the question to the union taking action, if the amendment of the Senate were accepted as it stands. For instance, the question of workmen's compensation is one upon which trade unionists have every right to agitate, without reference to party politics. They desire to arouse the public to the need for taking steps to protect workmen from injury in the pursuance of their ordinary avocations, it may be through the negligence of their employers; but no such action could be taken without having some political objective, and therefore a union would have to choose between taking such political action, and refusing to come under the Bill and obtain preference.

The CHAIRMAN.—The amendment before us affects, not action taken by those who apply for preference, but action taken by those who oppose the granting of preference.

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Mr. WATSON.—It seems to me that the amendment of the Senate raises the whole question, because it qualifies a clause which has been agreed to by this Chamber. We have a right, therefore, under the rules of procedure to which I have been accustomed, following the procedure of the House of Commons, to qualify such a qualification, to whatever extent may be deemed necessary. The right to take political action is essential to unionism, whether the union be an organization of employés or an organization of employers. It is impossible to conceive of effective action being taken in the interests of any class without political action being engaged in. Is it proposed to take from unions their power to engage in agitation which has political ends in view, as the price of letting them come under the Arbitration Bill? If that is the attitude of Parliament, very few unions will think it worth while to make the sacrifice. The Bill already requires them to give up a weapon which during the last fifty years has proved most effective, though it undoubtedly has on occasion acted in boomerang fashion, injuring those who have used it. On the whole, however, the workmen of British-speaking communities have obtained enormous and incalculable advantages by using their right to strike. That right is now being taken from them, because the Bill prohibits striking. They are now required, if they desire preference—and we who support the measure say that without preference it would be impossible to work the Bill effectively—not to engage in any political agitation. Even if every member of the union were in favour of spending money on some political action, which might be entirely non-party, not a penny could be so spent without impairing any preference that might have been granted to the union. A union could not resolve to spend any part of its funds in political action without perhaps having to forego an award obtained from the Court after days or weeks of anxious inquiry. That seems a very curious position for us to take up. Perhaps I shall be pardoned if, in this connexion, I quote a few remarks made by Mr. Justice Cohen, in the New South Wales Arbitration Court. I do not propose to read the whole judgment, which was given in connexion with a dispute between the Australian Workers' Union and the Machine Shearers' and Shed Employees' Union. Exception had been taken by the Machine Shearers' and Shed Employees' Union to the political objects of the Australian Workers' Union, one of whose rules was that members should vote for selected labour candidates. To that rule Mr. Justice Cohen took exception, and he said that he would give no consideration to any application made by the Australian Workers' Union until it was expunged.

Mr. BROWN.—It was expunged afterwards.

Mr. WATSON.—Yes. The learned Judge then went on to deal with the general question of political objects being included in the rules of a union. He said—

Following in the same line, I now come to the objection to amalgamation with the Australian Workers' Union, in consequence of the political element embodied in its constitution. (See rules 54-7.) Having arrived at the conclusion that it is perfectly legitimate for a trade union to own and publish a paper, I must logically follow it up by also declaring my opinion that political advocacy of its views comes within its scope. It seems to me perfectly legitimate, as the constitutional method of finally giving effect to the opinions it may hold, that it should seek to have those views ventilated in the Parliament of the country by representatives of its own choosing, and where requisite or necessary embodied in the Statute. I think I would be correct in saying that all Acts of Parliament have been the result of advocacy which may be aptly called "political"—nay, the very Act we are now considering, and under which this tribunal is constituted, is the outcome of political discussion, and the ultimate maturing of political opinion. And, assuming, as I think I may correctly, that trade unions had a large share in the political action (including the return of their approved parliamentary candidates), which resulted in legislation deemed by the Parliament to be beneficial to the State, how can it be effectively urged that political action should be declared to be outside the function of trade unions?

That opinion, coming from a learned gentleman, who, apart from any bias, one way or the other, has had unique opportunities during the last year or so, of forming an opinion upon this subject, and of studying in detail the rules of the greater number of the unions in New South Wales, should carry weight with honorable members and with the country generally. One can understand honorable members opposite—indeed, honorable members on either side of the Chamber—objecting to any provision which might have the effect of assisting one particular party or another; but the claim I am urging now is that there should be no bar placed in the way of that legitimate political action which has been characteristic of trade unions ever since their inception, and the prohibition of which would alter completely their whole complexion and the methods which they have adopted for years past. I take it that we do not seek to

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amend the Trade Unions Acts of the various States. We do not wish to put disabilities upon the unions which are not imposed by any of the States Acts. Nothing of that kind was contemplated when this proposal was brought forward. All that was urged was the desirability of preventing men from being coerced into political action against their wishes, and of preventing the funds of the unions from being used in a manner contrary to the desires of the members. So far as that aspect of the matter is concerned, I have no objection to offer to provisions which will secure that end. Honorable members may remember that, when this clause was before us on a former occasion, although I accepted it, I made a reservation as to the phraseology. I told the honorable and learned member for Darling Downs, that I accepted the spirit of the proposal, but was not convinced that the phraseology was all that could be desired.

Mr. McCAY.—Did not the honorable member afterwards accept the phraseology?

Mr. WATSON.—Yes, I did; but, on reflection, I saw that the provision went a great deal further than I, or any other honorable member, at that particular moment, contemplated. So far as my memory serves me, not one word was uttered during the discussion that would lead to the belief that honorable members contemplated barring all kinds of political action on the part of the unions.

The CHAIRMAN.—Am I to understand that the honorable member intends to move an amendment which will have the effect of limiting the operation of provisions in the Bill, which are not before the Committee?

Mr. WATSON.—Perhaps you, sir, might wait until I have submitted my amendment.

The CHAIRMAN.—I realize that the remarks which have been made by the honorable member might be applied not only to organizations seeking preference, but also to other organizations, and I would ask the honorable member to indicate whether his amendment will apply to organizations other than those applying for preference?

Mr. WATSON.—I think it is rather unusual to call upon an honorable member at this stage to announce the terms of his amendment.

The CHAIRMAN.—I merely asked the honorable member, as a matter of courtesy, to indicate his intentions. He is perfectly entitled to proceed, so long as he does not refer to matters beyond the scope of the Senate's amendment before us.

Mr. WATSON.—So far as this amendment is concerned, it prohibits certain organizations from appearing in Court to oppose applicants for preference, so long as their rules or other binding decisions permit the application of their funds to political purposes, or require their members to do anything of a political character. That organization may be one of employés, because in New South Wales, upon one occasion, an organization of employés objected to preference being granted to another union. So that all that I have said up to the present applies to this particular amendment. I do not wish at this stage to say a great deal more upon the general question. In my view, it is necessary to define clearly what is meant by the term "political purposes," and I think that we should make such a provision as will insure that, whilst party political action may be barred, the ordinary political action which has formed part of the machinery of unionism in the past shall not be interfered with. The provision as it stands practically prohibits operations by the unions which are allowed under every State Trades Union Act. I think it ought to be clearly understood how far the Committee proposes to go, and therefore I move—

That the motion be amended by the addition of the following words:—

"Political purposes" in this section does not include obtaining or maintaining provisions applying to all persons in any particular industry, without discrimination as between those who are and those who are not members of an organization, with respect to the regulation of the following industrial matters:—

1. Preservation of life and limb.
2. Compensation for injuries or death.
3. Sanitation.
4. The sex and age of employees.
5. The hours of labour.
6. The remuneration of labour.
7. Protection of salaries and wages.
8. Conditions of labour generally."

I do not pretend that this list is complete, but I have endeavoured, in the first place, to generally provide that action taken on behalf of all those engaged in an industry, irrespective of whether they are unionists or non-unionists, merely affecting their status and general conditions as workmen, shall not be deemed to be political in the sense in which political action is prohibited under the Bill. I feel sure that honorable members generally can sympathize with that view. If their object is merely to restrain the unions from coercing their members into

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taking political action of a party character, surely they can have no objection to exempting from inclusion in the term "political purposes" those actions or agitations which are absolutely non-party in character. None of these matters are ordinarily considered as within the range of party politics, and with a view to having them clearly defined, I submit my amendment.

Mr. McCAY.—One is rather at a disadvantage even in raising a point of order upon this question, because the leader of the Opposition has made his amendment available only within the last two or three minutes. Apparently it has been prepared for more than a few minutes, but I did not know anything about it until the leader of the Opposition said that he had given a copy to some one else.

Mr. REID.—I was in perfect ignorance of the amendment.

Mr. McCAY.—I desire to raise a point of order upon a matter of considerable importance. Clause 55 of the Bill upon which this further proviso has been adopted by the Senate, so far as this particular question is concerned, consists of two parts, one authorizing the registration of certain associations as organizations, and the other providing that no registered organization shall be entitled to a preference declaration while it is political. That, briefly, though not quite accurately, expresses the meaning of the provision. The Senate agreed to that proposal. It agreed that a registered organization should not be entitled to a declaration of preference, whilst it was political, and in view of the provision in an earlier section to the effect that certain persons, or an organization, might, if they chose, oppose an application for preference, the Senate added a separate and distinct provision that no opposition to an application for preference should be permitted by an organization which was political. The Prime Minister has moved "That the Senate's amendment be agreed to." Now, the leader of the Opposition proposes to move an amendment which includes the words "political purposes in this section." I wish to call the special attention of the Committee to the last three words. With the addition of those words, the definition of "political purposes" will affect not only the proviso to which the Senate asks this Committee to agree—it not having been previously embodied in the clause—but also those portions of the clause which have been agreed to by both Houses. It means that these shall be altered.

Mr. WATSON.—Oh, no.

Mr. McCAY.—Both this Committee and the Senate have agreed, in the first place, that associations may be registered as organizations; and, secondly, that when they are registered, they shall not be entitled to a declaration of preference if they are of a political character. The Senate proposes to add that no opponent of preference shall be allowed to appear before the Court to oppose the granting of a preference if the organization which he represents is of a political character. The leader of the Opposition wishes to move that "political purposes" in this section shall not include certain things. His proposal, I would point out, covers the proviso to which both Houses have agreed, as well as the other proviso which the Senate has proposed. If the honorable member for Bland disagrees with the view which I am urging, he is impaled upon the horns of a dilemma; either he has to say that this definition does not alter the meaning of the word "political," in the portion of the clause which has been agreed to by both Houses—in which case it is useless—or he has to confess that it affects what both Houses have agreed to.

Mr. McDONALD.—But the Senate has not agreed to the clause.

Mr. McCAY.—If the honorable member will permit me to do so, I shall explain my view to the Committee. I repeat that the addition of the words "in this section" proposed by the leader of the Opposition would have the effect of amending a proviso to which both Houses have already agreed. If he had contented himself with moving the addition of the words "in this proviso," I should not have objected. The standing order relating to this matter is standing order No. 192, which imposes an express prohibition which the other standing orders cannot overcome. It reads—

> No amendment shall be proposed to an amendment of the Senate that is not strictly relevant thereto—

Mr. HIGGINS.—Is not this proposal relevant to the Senate's amendment?

Mr. McCAY.—I submit that it is not. The standing order continues—

> nor can an amendment be moved to the Bill unless the same be relevant to, or consequent upon either the acceptance or the rejection of the Senate's amendment.

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Then *May*, tenth edition, page 478, in dealing with this matter, says—

It is also a rule that neither House may at this time—

The time referred to is when amendments from the other House are being considered—

leave out or otherwise amend anything which they have already passed themselves; unless such amendment be immediately consequent upon the acceptance or the rejection of an amendment of the other House.

Mr. HIGGINS.—We do not propose to leave out a word, but we are entitled to qualify the clause.

Mr. McCAY.—Let us suppose that the Senate had not sent down this amendment relating to the opposition to preference. It would certainly not have been competent for any member of this Committee to move such an amendment as that before us relating to political purposes. The proposal of the leader of the Opposition, I maintain affects a provision which has been agreed to by both Houses. As it is drafted it affects the provision which is contained in clause 55, relating to applicants for preference. It does not merely affect that provision in regard to opponents of preference. If its scope were limited to that, I should raise no objection. But both Houses having agreed that no organization shall be entitled to a declaration of preference if its funds may be devoted to political purposes, or if its members may be required to perform acts of a political character, I submit that the proposal constitutes an attempt to alter something which has been agreed to by both branches of the Legislature, and that it is, therefore, beyond the power of this Committee to entertain it. Whoever may be right, to my mind, the issue is perfectly clear. It is, "Can the first proviso be amended under the plea of amending the second proviso?" The proposal of the honorable member for Bland, in its very terms, shows that it applies, not only to the second proviso, but also to the first. Pending the decision of the point of order, I intentionally refrain from discussing in any way the merits of the proposal itself.

Mr. WATSON.—Concerning the complaint of the Minister of Defence, that the terms of my proposal were withheld from him——

Mr. McCAY.—It is not a complaint, but a statement of fact.

Mr. WATSON.—So far as this point of order is concerned, I may say that the Government have been taken at no disadvantage, inasmuch as a good many days ago I informed the Prime Minister that I intended to attempt to qualify the term "political purposes." That that knowledge was general upon the other side of the Chamber is evidenced by the fact that it was well understood that a point of order was to be raised in connexion with it. Consequently the Government are at no disadvantage whatever. With respect to the point of order itself, I may preface my remarks by observing that it is a well understood rule of Parliament that whenever there is the slightest element of doubt regarding the construction of the Standing Orders, or as to the general parliamentary practice, the decision should always lean towards that course which will allow of the greatest possible freedom and latitude being followed especially in an endeavour to arrange any difference which may exist between the two Houses. From the constitutional standpoint, it is in the highest degree desirable —if there is a difference of opinion between the two Chambers—that no effort should be prevented which might lead to a settlement of the matter in dispute. We should bear in mind that it is not merely this question which we are now considering, but rather the general principles upon which differences between the two Houses shall be settled.

Mr. McLEAN.—There is no difference of opinion between the two Chambers.

Mr. WATSON.—I maintain that there is. I shall, however, deal with that aspect of the question presently. A decision given upon this question may have a restrictive effect when a much more serious difference of opinion exists between the two Chambers, and consequently it is highly desirable that no action should be taken which would have the effect of curtailing our rights. I claim that there is a difference between the two Houses. Of course, if the Government proposal be carried, that difference will cease to exist. But if it be not carried, a difference will exist between the two Houses upon this question, as upon three other questions. I maintain that clause 55 has not yet been approved by the Senate. It has been approved only contingent upon an alteration being made in it. In the absence of that amendment, there is no evidence that the Senate is in favour of the clause. There is no evidence as to how that Chamber will regard it eventually. Assuming that the Senate, instead of adding to the clause a proviso in the form which has been adopted—and the form of the proviso is a mere accident, because after all

we have to look to the purpose of any amendment—had inserted in it after the words "entitled to," the words "apply for or oppose," the effect of the alteration would have been to include both the original proviso and the one which the Senate now suggests in one paragraph. Then we should have had the words—

> Provided that no such organization shall be entitled to apply for or to oppose any declaration of preference. . . .

Would the Minister contend that it would not be competent for us to amend that proposition—that it would not be competent for us to attempt to define the term "political purposes?" I say that no such contention would have been urged if the amendment had been made in the way I suggest. The Senate has decided that the original proposition sent from this House shall be qualified in a certain manner, and the form which that qualification takes does not alter the position. The question of form is nothing; the point which we have to remember is that they have made a qualification. My contention is in the first place that clause 55 has not been adopted; that consequently, the proviso which the Senate has inserted is a qualification—and a material qualification —of the original provision, and that any qualification which we desire to impose on that made by another place as a condition to our assenting to their additional proviso, would be strictly relevant to the general purposes of the original proviso, and that made by another place. Both these conditions are met by my proposition. Surely it cannot be held that the definition of the term "political purposes" is not relevant to the Senate's amendment. As its amendment is a qualification of the original proposition which was put forward, we are entitled to define the term "political purposes" before agreeing to it. Standing order 192, which was quoted by the Minister of Defence, practically repeats—although in a slightly different form — the procedure laid down by *May*, and I take my stand upon the practice laid down at page 478—

> It is also a rule, that neither House may, at this time, leave out or otherwise amend anything which they have already passed themselves; unless such amendment be immediately consequent upon the acceptance or the rejection of an amendment of the other House.

I contend that my amendment is consequent upon and relevant to that made by another place. It is a material qualification of the amendment made by the Senate, just as their proposal is an amendment of the original clause passed by this Chamber. I therefore contend that under our own Standing Orders, as well as under the practice laid down by *May*, the amendment is perfectly in order. That is the general view which any common-sense person might be expected to take of it.

The CHAIRMAN.—I desire to state that I had an indication from one, if not two honorable members, of the Opposition, that this question would be raised. The Committee will recollect that whilst the general question was under discussion, I disallowed any reference to the political purposes of unions which might claim a preference.

Mr. POYNTON.—You certainly did so in my case.

The CHAIRMAN.—And in several others. When, on a certain occasion, I disallowed any reference to that matter, an honorable member interjected that an amendment in this direction would be moved. I was therefore to that extent—and to that extent only—made aware of the fact that this amendment would be submitted. I have made inquires on my own account, and must at once confess that the point is one of very great difficulty. I have not been able to find any precedent which would serve to guide me. I should therefore feel obliged if honorable members would give me their assistance in arriving at a decision. I realize that the question is a very important one, and that any decision I might give would have an important bearing upon the matter under discussion. I may say at the outset, that I feel that some proof is necessary that the amendment is in order. With regard to one remark made by the honorable member for Bland, I would point out that if the Senate had inserted certain words in the proviso to clause 55, the difficulty, so far as I am concerned, would have wholly disappeared. We should then have had the whole provision before us, but at present I feel that we have simply to deal with an amendment in words which has been sent down by another place.

Mr. HIGGINS.—I appreciate the language which you have used, Mr. Chairman, and recognise that, as the Minister has said, he did not have an opportunity to see the amendment until a couple of minutes before it was submitted. I feel, however, that if the honorable and learned gentleman had seen the words of the amendment at a reasonable time before it was moved, he would

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not have felt the difficulty which he says he now experiences. I hope that this discussion will be devoid of party spirit or feeling. I am endeavouring to look at the question from an absolutely impartial standpoint, because I feel that it affects not only the matter immediately before us, but the privileges of this Committee. It is very important that the hands of honorable members should not be tied, and that our course should not be hampered by any unnecessary restraint. The position may be put briefly. Clause 55, as sent to another place, provided that no preference should be given to any organization whose rules permitted its funds to be applied to political purposes, or if its members were required to do anything of a political character. The Senate thought fit to insert the proviso, to which they have asked our assent, which is to the effect that no organization should be allowed to oppose an application for preference, if its funds could be applied to political purposes. The members of another place said, in effect, "We shall not give you this restriction, unless you put a similar restriction upon the opposing body." The proviso inserted by them now comes before us, and we have to assent to or dissent from that restriction. The leader of the Opposition now says, "Let us put in a further proviso, which says in effect: 'We have no objection to the proviso which the Senate has inserted, as long as it defines what are political purposes.'" That is the whole point. It simply means that we are quite content to accept this proviso if another place will say exactly what is meant by "political purposes." I have tried to discover concrete instances of the position, and a case in point has occurred to me. Supposing that some offence were created in a Bill which was first in our charge, and that we provided that no penalty should exceed £50. Then let us suppose that the Bill was sent to another place, and that it chose to say that no penalty should exceed £100, thus enlarging the amount of penalty that could be imposed. When the Bill came back to us we should not be able, if the Minister's argument be correct, to insert a qualification, saying in effect, "We will accept the provision that no penalty shall exceed £100, provided that intention or knowledge be proved on the part of the person who does the wrong." Supposing, for instance, that in regard to some Customs offence we had proposed £50 as the maximum penalty, and that another place said, "Let it be £100." Then suppose that on the Bill being returned to us we said, "We have no objection to the penalty being increased to £100, provided that it be proved all through that there was a criminal intent." The point at which I venture to say the Minister has gone wrong is this: he thinks that even if an amendment be relevant to the sub-clause it is irregular if it affects something else. There is no authority in *May* or in any book of procedure for such an assumption. The Minister says in effect to the leader of the Opposition, "True, your amendment relates to the Senate's addition, but it also relates to something else, and therefore it ought not to be allowed." That position is not supported by any of the books on procedure. It would be utterly impracticable. Every word in a Bill affects every other word in it. When a Bill is returned to us to be dealt with, we cannot say that any words proposed to be inserted must affect a proviso inserted by another place, and nothing else. The Minister has been good enough to refer to certain Standing Orders on which I intended to rely. I received information about lunch time that Ministers were going to object to the amendment to be moved by the leader of the Opposition.

Mr. REID.—We heard that an amendment was to be moved, but we had not the slightest idea what it was about.

Mr. HIGGINS.—I think that the Prime Minister will admit that he knew the trend of the amendment.

Mr. REID.—I did not know anything of these sub-sections.

Mr. HIGGINS.—I am not finding fault. On entering the Chamber just before the luncheon hour, I was informed that Ministers intended to take objection to the proposal of the leader of the Opposition.

Mr. REID.—There was not the remotest idea of points of order, or anything of that kind.

Mr. HIGGINS.—I do not blame the Prime Minister.

Mr. MCCAY.—I simply heard a rumour that an amendment would be moved to define "political purposes"; that was all.

Mr. HIGGINS.—There was something more than a rumour. The leader of the Opposition told the Prime Minister days ago that he would submit an amendment defining "political purposes."

Mr. REID.—I have just said that I heard about it days ago, but I did not tell my colleagues of it.

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Mr. HIGGINS.—The Minister of Defence has referred to standing orders 191 and 192. The latter, which deals with relevancy, is the more important. It provides—

No amendment shall be proposed to an amendment of the Senate that is not strictly relevant thereto. . . .

Mr. BATCHELOR.—There is no question about the relevancy of this amendment.

Mr. HIGGINS.—Certainly not. The only question is whether there is any rule providing that an amendment which is relevant to an amendment of the Senate must have no bearing upon anything else in the Bill. That, of course, would be absurd. Standing order 193 provides that—

When amendments made by the Senate, in Bills which shall have first passed the House, shall have been agreed to by the House without amendments, a Message shall be sent informing the Senate thereof; and if they shall have been agreed to with amendments, the Bill shall be returned. . . .

It is perfectly clear that we have power to amend an amendment. But there has been no agreement between the Houses as to the terms of clause 55. This House has proposed one form, and the Senate another, and now we say, "We will meet you half-way, by agreeing to your amendment, if you will allow us to qualify it by explaining the meaning of the words 'political purposes.'" Standing order 207 shows that we can go still further, and be in order. It says that—

No amendment can be proposed in any words of the Bill—

That is to say, we cannot strike words out of the clause or make any change of that sort—

which, having received the concurrence of the Senate, have not been the subject of, or immediately affected by, some previous amendment.

The standing order is badly expressed, but its intention is plain.

Mr. McCAY.—That standing order deals with amendments after there has been a disagreement between the Houses.

Mr. HIGGINS.—That makes my position still stronger. We are now at an earlier stage, though the two Houses have not come to any agreement in regard to clause 55. If the Senate has made an amendment which affects words which we have agreed to, we are entitled to strike out those words. The standing order says that—

No amendment can be proposed in any words of the Bill which, having received the concurrence of the Senate, have not been the subject of, or immediately affected by, some previous amendment.

"Previous amendment" means an amendment made by the Senate, so that if the Senate inserted a clause, we could, in accepting the amendment, actually change words to which we had already agreed. The Minister of Defence has referred to page 478 of *May*, but I would ask him to look at the following passage on page 477—

If a Bill be returned from one House to another with amendments, these amendments must either be agreed to by the House which had first passed the Bill, or the other House must waive their amendments: otherwise the Bill will be lost. Sometimes one House agrees to the amendments, with amendments, to which the other House agrees.

So far the *primâ facie* position is all right. We wish to amend the amendment of the Senate, and I apprehend that the only point which you, Mr. Chairman, have to consider is whether the amendment of the leader of the Opposition is relevant to the addition to the clause made by the Senate. If it is not relevant, it is out of order, but if it is relevant, it is in order. You have nothing to do with its ulterior effect upon the construction of the Bill. Then, at page 478 of *May*, it is stated that—

It is also a rule, that neither House may, at this time, leave out or otherwise amend anything which they have already passed themselves; unless such amendment be immediately consequent upon the acceptance or the rejection of an amendment of the other House.

"Leave out"; that is the very point which is dealt with in standing order 207. We cannot alter our accepted words unless something has been done by the Senate, which is a reason for qualifying what we have done. But to "leave out or otherwise amend" is quite different from adding something in the nature of a proviso upon a proviso. I know that your attention has been called to this point, Mr. Chairman, and therefore I shall not speak at greater length. But in *May* reference is made to the *Commons' Journal*, and particular reliance is placed on what occurred in England in connexion with the Municipal Corporations Bill, about seventy years ago. In the *Commons' Journal* will be found instance after instance of amendments which have the effect of saying, "We will agree to the amendment of the Lords provided that they will qualify the meaning of certain words throughout the Bill." That is what is being done here. I submit, not in the interests of the Opposition, or even of the Bill, but in

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the interests of proper parliamentary procedure, that it would be lamentable if, when the Houses were trying to come to an agreement, and we had approached so nearly as we are now, we could not find a half-way house at which we might meet. We are willing to accept the amendment of the Senate prohibiting unions from getting preference if they have political purposes, provided that they agree to assign a certain meaning to the words "political purposes" throughout the Bill. As regards the effect of the clause, I have no hesitation in saying that, from our point of view, it will be a very healthy one. I am not, however, dealing with that matter now. I do not think honorable members intended to prevent an employers' organization from applying its funds for the printing and circulation of pamphlets against the Immigration Restriction Act, the Pacific Island Labourers Act, the Victorian Factories Act, or any similar measure. But if the amendment is agreed to as it stands, any organization whose rules permit a penny of its funds to be used for any such purpose will be debarred from appearing before the Court to oppose an application for preference. The amendment goes far beyond what we had in view. The amendment of the leader of the Opposition will have a retro-active effect, which is perfectly justifiable, and that effect will be a healthy one, because we went too far in the first instance. I do not think honorable members wish to penalize unions of employers or employés because their funds may be spent in pamphleteering or in employing lecturers or lecturesses.

Mr. DEAKIN.—It appears to me that a good deal of confusion has been caused by the leader of the Opposition in using the word "union" in reference to the amendment. We have nothing to do with the political purposes, activities, or expenditure of unions. They do not come within our control. The Bill has to do only with organizations, upon whom it is sought to impose conditions which we do not seek to, and could not, impose on unions. It must be remembered, in dealing with this matter, that the House, in the first place, imposed certain conditions on organizations applying for preference. The Senate has replied, "The conditions which you have imposed apply only to organizations of employés, because they are the only organizations which will ask for preference. Why not impose the same conditions on organizations of employers who oppose them?"

Sir JOHN FORREST.—The employers might ask for preference, too.

Mr. DEAKIN.—No, that is impossible. It seems to me that the Senate is perfectly reasonable in providing that the conditions which are imposed upon organizations asking for preference shall be imposed on organizations resisting such applications. The honorable member for Bland is willing to agree to the Senate's amendment if the words "political purposes" are defined as having a certain meaning. If that were the whole of his proposal, he would occupy a stronger position than he does. But he goes further, and proposes that this definition shall apply to those words throughout the whole clause. If he proposed to amend the amendment of the Senate, what the honorable and learned member for Northern Melbourne terms the retro-active effect of his proposal would have passed unnoticed, and his position would have been firmer, though it cannot be denied that if the words "political purposes" are given a certain meaning in the Senate's amendment, they may, later on, be similarly interpreted wherever they occur.

Mr. WATSON.—I can agree to the omission of the words "in this section," if that will suit the honorable and learned member.

Mr. HIGGINS.—The amendment would then apply to the whole Act.

Mr. DEAKIN.—I submit that for the words "in this section" we might substitute the words "in this proviso." It is certainly competent for us, now that we have the proviso proposed by the Senate before us, to insert our own interpretation of any words in their proviso. So far as that is concerned, we shall be upon incontestable ground. If, however, we go beyond that, and use the words "in this section," with an intention to refer back to matters upon which both Houses are already agreed, or if we omit the words "in this section," and leave our interpretation open to be applied to the whole Act, we may come into conflict both with *May* and our own Standing Orders.

Mr. HIGGINS.—Does the honorable and learned member find anything in *May*, or the Standing Orders, to prevent us from making the proposed amendment?

Mr. DEAKIN.—Yes, I do. *May* uses the words "directly relevant," whilst in our own Standing Orders the phrase adopted is "strictly relevant," and I contend that the amendment cannot be regarded as directly or strictly relevant to anything be-

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yond the proviso. Inasmuch as the Senate has accepted the proposal made with regard to organizations applying for preference, without any amendment or definition whatever, they clearly had no intention to alter that. That is to say, they intended to accept that provision without alteration. But they propose an addition affecting those organizations which oppose preferences, and this amendment proposes that "political purposes" in that amendment shall have a certain meaning. Permit me to point out that honorable members opposite are proceeding upon their own interpretation of the meaning likely to be attached by the Court to the words "political purposes." For aught I know, "political purposes" may include, in the mind of the Court, any or all of the things mentioned in the amendment of the honorable member for Bland. The honorable member is proceeding on the assumption which, to my mind, appears largely unwarranted, that the Court will hold that no unions will be entitled to oppose preference if they are pursuing any of the objects he has indicated. I would not venture, off-hand, to say in advance what the Court, after argument and consideration, will regard as being exclused by the words "political purposes."

Mr. WATSON.—Should we not know what we are aiming at?

Mr. McLEAN.—Trust the Court.

Mr. WATSON.—Yes; but let our language be free from ambiguity. I did not want this provision.

Mr. DEAKIN.—No, but the honorable member accepted it.

Mr. WATSON.—I had to.

Mr. DEAKIN.—Both the honorable member for Bland and the honorable and learned member for Northern Melbourne have strayed into the consideration as to what is healthy or unhealthy, what is desirable or undesirable, and the respects in which the House should be free or fettered. I am not now dealing with the merits of the amendment. I am pointing out that the whole argument of the honorable member for Bland turns upon his own interpretation of the meaning of the words "political purposes." The honorable member's arguments on that point were not in their proper place. I do not think that this definition of the words "political purposes" would exclude a number of the purposes to which the honorable member for Bland has referred. I think that many of them might be defined as labour or industrial matters, and probably would not be excluded as political by the Court. Therefore the honorable member for Bland must not claim any weight for his argument, owing to his own interpretation of the words "political purposes." I feel sure that they will be found to be far less restrictive than he is inclined to believe. As the honorable member for Northern Melbourne has pointed out, it would be possible by a re-interpretation of words embodied in an amendment submitted by the Senate to affect the meaning of a whole Bill which we had previously passed, and to which the Senate had already agreed.

Mr. HIGGINS. — The Senate has not agreed to the Bill as passed by us.

Mr. DEAKIN. — It has agreed to the whole Bill, with four suggested amendments. The honorable and learned member argued that, in dealing with this amendment, we could adopt an interpretation of its language which would apply to the whole of the provisions of the Bill in which similar language was used.

Mr. HIGGINS.—Only so long as our interpretation was relevant to the clause in which it was inserted.

Mr. DEAKIN.—That would be pushing the doctrine of amendment to such a length that no Bill could ever be taken to be settled, even in its most vital principles or its most important provisions, until the last amendment had been passed.

Mr. HIGGINS.—Does the honorable and learned member mean to say that the amendment must relate to nothing but that which has been inserted by the Senate?

Mr. DEAKIN.—I say distinctly that that is the only ground upon which we can stand with safety. Directly we go beyond that we launch ourselves into the region of argument. This amendment may be right or not; it is near the border-line. My difficulty is that I do not see how, in the reading that is being given to the words "directly relevant" and "strictly relevant" it is possible to draw the line in such a way as to give any force or effect to the words. If the contention of the honorable and learned member for Northern Melbourne, that anything which is relevant to the proviso is therefore relevant to the Bill, and that every word of the Bill is relevant to every other word, be correct, we should have it in our power in the very last amendment to vitally alter the whole character of a Bill. I cannot accept any such position.

Mr. HIGGINS. — I accept the words "strictly" and "directly."

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Mr. DEAKIN.—I do not pretend to say where the application of the words "strictly" and "directly" begins and ends. All I contend is that, under the interpretation of the honorable and learned member for Northern Melbourne, it would be impossible to draw any line that would prevent the whole measure from being subjected at the last moment to wholesale amendment.

The CHAIRMAN.—Has the honorable and learned member formed any opinion as to what constitutes an amendment of the Senate—whether the whole clause can be considered, or only the actual amendment of the Senate can be dealt with?

Mr. DEAKIN.—In this case, I take it that only the proposal of the Senate can be dealt with. But I do not think any absolute rule can be laid down, because there may be cases to which it would not apply. In this instance, the amendment of the Senate constitutes an addition to the clause—something built on to the rest of the clause.

Mr. WATSON.—And qualifying it.

Mr. DEAKIN.—No; it does not qualify it.

Mr. WATSON.—The Senate proposes that an organization with political objects shall not be entitled to object to preference; therefore to exclude such organizations from certain rights, is to qualify the clause conferring those rights.

Mr. DEAKIN.—The honorable member is adopting a very broad interpretation of the word "qualify." In the sense in which he applies it, any proposal, whether of a negative or positive character, would be a qualification of everything else. It appears to me that this is a proposal which has been added to the clause, and that we can only deal with the Senate's amendment. We ought not to introduce words which will affect other clauses of the Bill. Bourinot, at page 677, says—"One House may not amend any part of a Bill which it has passed and sent up for concurrence."

Mr. WATSON.—Does that imply that if a proposal were put forward by this Chamber, and rejected by the other House, we could not amend it, with a view to meeting the views of honorable members in another place?

Mr. DEAKIN.—We could amend our own amendment. It would not have been concurred in.

Mr. WATSON.—We could amend our own proposals.

Mr. DEAKIN.—Yes. We could amend our proposals, in order to meet the views of honorable members in another place. That position does not, however, arise in the present case.

Mr. WATSON.—The effect is much the same.

Mr. DEAKIN.—No. We have dealt in a certain way with the organizations applying for preference, and the Senate has agreed to our proposals. Now the Senate proposes to deal with organizations which are opposed to preference.

Mr. WATSON.—They may include the same organizations.

Mr. DEAKIN.—We are entitled to deal as we please with their proposal, so far as it affects organizations objecting to preference, but we are not entitled to alter the conditions we have laid down, to which the Senate has agreed, applying to organizations that are desiring to obtain preference.

Mr. GROOM.—I dissent from the view taken by the honorable and learned member for Ballarat. The question is one solely of the interpretation of the words "strictly relevant thereto." The view put forward by the honorable and learned member is that the word "strictly" means "exclusively," and that the amendment must relate exclusively to the proviso before the House. I entirely dissent from that interpretation. The amendment must, however, be one which distinctly modifies the particular proposal before the Committee. It must therefore be one which is "strictly relevant" to it. It must either add to it or modify it in some way. There must be some clear visible connexion between it and the proposal which is under consideration. The next point which arises is "What is the meaning of the word 'relevant'?" According to ordinary acceptation, it means "having applicableness or pertinence; applicable, pertinent to the purpose; appropriate." First of all we have to be satisfied that any proposal before the Committee is one which can be connected with the amendment of the Senate. We must establish clearly and distinctly that it has reference to it, otherwise it is excluded from our consideration. What is the position? The original provision in the Bill provided that organizations must be registered. The Chairman will recollect that objection was taken to the proposal of the present Minister of Defence upon the ground that it was not relevant to this clause. It was urged that a proposal relating to a preference was being inserted in a provision dealing with the registration of unions. Upon that

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occasion you, sir, ruled that it was relevant to the clause.

The CHAIRMAN.—Will the honorable member quote what I said in regard to that matter?

Mr. GROOM.—I cannot do so just now.

The CHAIRMAN.—I may tell the honorable and learned member that I said I did not consider that this clause was the most appropriate or convenient provision in which to insert the amendment in question.

Mr. GROOM.—Nevertheless, you ruled that it was relevant. Now it is further proposed that those who are opposed to the granting of a preference shall have certain conditions imposed upon them. That is the effect of the whole provision. This clause has been modified by the Senate, and returned to the House. We take up the position that we are quite prepared to accept the clause in its modified form, so long as we are allowed to still further modify it by the insertion of words defining "political purposes." Then the question arises, "Is the proposal of the honorable member for Bland relevant?" I submit that it is. A motion to define that term is relevant to the issue. Our next consideration should be, "Is it strictly relevant?" I claim that it is, because it defines the term used in the Senate's amendment, and no other term. It defines the meaning of "political purposes." If we were to say that the honorable member's proposal should apply only to the Senate's amendment it would then be exclusively relevant. It is quite true that this particular part of the clause has been passed by the Committee and sent up to the Senate, and that the Senate has made a modification in it. Surely, then, it is open to us to insert another modification! Surely we are not to be excluded from dealing with it simply because, in order that we may be able to accept the Senate's amendment, we desire to add a further amendment. As a matter of fact, what the other Chamber has returned to us is the entire clause as it left this Chamber, with an addition. I take the view that we are quite prepared to accept that clause, upon the condition that we are permitted to add a further modification to it. If we do not possess that power, our powers are very restricted indeed. After all, the question resolves itself into one of interpretation. It becomes a question of what is the meaning of the words "strictly relevant?"

Mr. MCWILLIAMS.—Under the circumstances suggested by the honorable member, would there ever be an end to the exchange of Bills between the two branches of the Legislature?

Mr. GROOM.—Yes, because we cannot add anything to the amendment of the Senate which constitutes entirely new matter. All that we ask is that the term "political purposes" shall be defined.

Mr. REID.—That it shall be defined in relation not only to the amendment of the Senate, but in relation to something which has not come down from that Chamber.

Mr. GROOM.—That fact does not make the proposal irrelevant. It may have that effect, and still be "strictly relevant."

Mr. REID.—There is more than the question of what is "strictly relevant" involved.

Mr. GROOM.—We cannot go beyond the Standing Orders. The question is whether the proposal of the leader of the Opposition is relevant to the amendment. I do not think the Prime Minister will contend that the words of that proposal are not strictly relevant. He may contend that they are not exclusively relevant.

Mr. MCCAY.—But the only amendment with which we can agree is that which has been made by the Senate.

The CHAIRMAN.—Does the honorable and learned member for Darling Downs contend that the amendment of the Senate refers to the whole of clause 55?

Mr. GROOM.—I do not; but it modifies part of the clause. Let us suppose that an addition of fresh matter were made to the clause. It necessarily follows that it must modify everything which has preceded it.

The CHAIRMAN. — But does not the honorable member think that the Senate has introduced an entirely new body into this Bill?

Mr. GROOM.—No. All that the Senate has done is to declare that when anybody opposes preference it shall be subjected to certain conditions. We say in effect, "Very well; we are prepared to accept that proposal, provided that the conditions are defined." Surely it cannot be urged that the defining of those conditions makes the proposal of the honorable member for Bland not "strictly relevant" to the amendment. I submit these remarks only with a desire to assist you, sir, in deciding the point of order which has been raised. In construing statutes, the general practice is to preserve the common law unless it is expressly repealed or modified, and the common-

law of Parliament means that we shall enjoy full liberty of speech and of action. I submit that you, sir, will not lay down any narrow rule of construction, and by so doing deprive this House of any rights which it possesses. I maintain that, if you interpret the word "strictly" to mean "exclusively," you will place serious impediments in the way of a peaceful solution of difficulties between the two Houses.

Mr. SPENCE.—It appears to me that, in amending this clause, one object which the Senate had in view was to give effect to the general principle which permeates the whole Bill, of placing both parties to disputes likely to come before the Arbitration Court upon terms of absolute equality. The statement has been made that only one class of persons can apply for the granting of a preference. I shall presently show that it is within the power of employers to apply for a preference. The intention of this provision is to provide equality of preference. If we alter the Senate's amendment only, we shall interfere with the whole spirit of the clause. I would point out that there are cases in which employers may apply to the Court for a preference. Take the pastoral industry as an example. The pastoralists number very many thousands, and occasionally the Australian Workers' Union has been called upon to supply the men required by them during the shearing season. It is therefore quite conceivable, in connexion with an award of the Court, that the pastoralists may ask that the organization in question should supply them with labour, and to supply it to them first of all. That would be a case of preference. If the reasoning of the Minister be correct, it will be impossible for us to make the measure a workable one. We ought to endeavour, as far as possible, to overcome difficulties between the two Houses, and it seems to me that when we desire to bring all the provisions of a clause into harmony we cannot separate an amendment made by another place from that with which it is connected. To reverse the decision of the Senate would be to do something contrary to the spirit of fair play to all parties which actuated another place in inserting this provision. It seems to me that an excellent case has been made out for the amendment which the leader of the Opposition has put before the Committee, and that it is clearly in order.

Mr. MCDONALD.—I am at one with the honorable and learned member for Northern Melbourne in the view that the point of order raised is a most important one, affecting not only the question immediately before the Chair, but the relations of the two Houses. The more subtle point, as to relevancy, has been debated at length by the legal members of the Committee, but with all respect, it seems to me that they have not thrown much light on the subject. I do not think it is wise that we should determine the point at the present juncture. In view of the importance of the amendment, and the serious bearing which any decision given by the Chairman would have upon the relations of the two Houses, I think it would be wise for the Minister to withdraw his point of order. If that were done, Mr. Speaker and the Chairman would have an opportunity to carefully study the question, and to decide it at a later date. It is generally contended that the decisions of a Chairman of Committees do not create precedents, but we cannot get away from the fact that they must largely guide our future actions. If the point of order be pressed at this stage, it seems to me that it may ultimately be dealt with by Mr. Speaker, and that we may have conflicting decisions. I hold that the procedure which we follow in dealing with the clauses of a Bill in Committee should be observed when we are considering a message from another place. When a clause of a Bill is being considered in Committee, we may deal with it sub-clause by sub-clause, or as a whole. An amendment may be made in a sub-clause, and, that having been dealt with, we proceed to consider the next provision. It is true that we may not go back to the first part of a clause, which has once been dealt with in this way, but if necessary we may insert any proviso to qualify that which we have already passed. Why should we not be able to adopt the same course in connexion with this matter? The amendment made by the Senate modifies the clause as agreed to by the two Houses. I agree with the contention of the Minister as to the position in regard to that part of the clause which precedes the proviso in question, but I hold that we are entitled to insert any further proviso to that made by another place. We have a right to insert any proviso affecting the whole clause. If that were not within our power the procedure by which we are governed in dealing with a Bill in Committee would be wrong. If we are to be confined to the exact words used by another place it seems to me that, in the event of the Senate desiring to come into conflict with this Chamber, it might

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so frame an amendment that we should be unable to deal with it. It might make an amendment practically nullifying a clause as passed by us, and we should not be able to modify it. Another point I desire to raise is that the question has already been put from the Chair.

The CHAIRMAN.—It has not been put.

Mr. McDONALD.—I was under the impression that the question was put from the Chair before the point of order was raised.

Mr. McCAY.—As soon as the Chairman read the amendment I rose.

Mr. McDONALD.—I accept the honorable gentleman's assurance. Had the question been put from the Chair, it would have been perfectly in order. In view of the importance of the matter, and the effect which the decision of the Chairman might have on the relations of the two Houses, I hope that the point of order will be withdrawn, so that the question may be determined on some other occasion. If that course were followed, Mr. Speaker would have an opportunity to consider the question, and to lay down the procedure for all time.

Mr. ISAACS.—I think that the amendment ought to be put. The rule is that except there are restrictions, any amendment may be proposed. What is a restriction? Standing order 192 provides that—

No amendment shall be proposed to an amendment of the Senate that is not strictly relevant thereto.

Can any one say that the honorable member for Bland's amendment is not strictly relevant to that made by another place? I fail to see how it comes within the prohibition. If it does not come within it, it ought to be allowed. I desire, Mr. Chairman, to submit another phase of the question to your consideration. The Senate has inserted this proviso in clause 55 alongside one which existed in the Bill as it left this Chamber, and it has used the very words, "political purposes," that we used in the preceding proviso. It is conceded, as it must be, that we can give our interpretation to the words "political purposes" in the Senate's amendment. And does any one venture to say that it is consistent with common sense that we are to be permitted to define the words "political purposes" in the Senate's amendment, and to allow a different meaning to attach to the very same words in the immediately preceding proviso?

The CHAIRMAN.—That is not the question.

Mr. ISAACS.—I wish to show that it is.

The CHAIRMAN.—It is not competent for us now to give definitions to other parts of the Bill. Such a position may be perfectly nonsensical, but that is another matter.

Mr. ISAACS.—I am not referring to definitions of provisions in other parts of the Bill.

The CHAIRMAN.—Does the honorable and learned member contend that the whole clause is included in the Senate's amendment?

Mr. ISAACS.—No; but whatever is strictly relevant to the amendment of the Senate is admissible, although its effect may go beyond that amendment. Let me give the Committee an illustration. If an amendment were made by the Senate introducing the words "political purposes" into the interpretation clause, and saying that those words, as used in some particular clauses of the Bill, should have a certain meaning, could we not extend that provision to certain other clauses?

Mr. McCAY.—Take this particular amendment. Would it be competent for us now to add the words "Organization under this Act shall include"——

Mr. ISAACS.—"Under this section." The Minister should not take us further than we are going. It is perfectly competent for us to define what the word "organization" means in this clause.

Mr. McCAY.—But let us suppose that the words were "organization in this Act."

Mr. ISAACS.—I am not talking about the Act. I am referring to clause 55.

Mr. McCAY.—Would it be competent for the words "in this Act," instead of "in this section," to be used in this amendment?

Mr. ISAACS.—I am not so sure that it would not, but the position would not be so clear as it is at present. I say distinctly that the Senate has inserted a proviso to this particular clause, and has bound it up with the immediately preceding proviso. No one can say that the two provisos are not most intimately connected. The one is the converse of the other, and when we find that the Senate has introduced a provision affecting organizations — which may be other organizations, and, in practice, would be other organizations than those referred to in the immediately preceding proviso—we have a right to say to it, "If you

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desire that to be included in the enactment we wish to tell you distinctly what we mean by, and what shall be taken to be the meaning of, the words 'political purposes.'" What I desire to point out is that it seems a most dangerous thing that we should be told that an amendment, although it complies with the Standing Orders, and is strictly relevant to the Senate's amendment, is to be rejected, because its effect goes further. Is not the whole Bill one, and is not every clause to be construed by the light of every other clause? The amendment of the Senate, providing that organizations shall not be permitted to oppose the granting of preference, if they come under the ban of political purposes, does not say that the meaning of "political purposes" so used shall be different from the meaning of "political purposes" where used in the other proviso. If we are at liberty to say what the words mean in the Senate's amendment, surely we are at liberty to say what they mean in the other proviso, because of the intimate connexion between the two! I say that there is no warrant in the Standing Orders for the rejection of the amendment of the honorable member for Bland. There would be a warrant if it were not strictly relevant to the amendment of the Senate, but as it is strictly relevant, there is no such warrant. In note K, on page 677, Mr. Bourinot refers to an amendment in the body of the Bill, consequent upon a Lord's amendment, given in 120 English *Commons' Journal*, page 197. That is an absolute warrant for going very much further than is proposed in this instance.

The CHAIRMAN.—Would the honorable and learned member contend that the amendment of the leader of the Opposition is consequential upon the amendment of the Senate.

Mr. ISAACS.—If an amendment is consequential, the practice in England apparently is that it may be made, but we have not to go so far as that. All we have to show is that the proposed amendment is strictly relevant to the Senate's amendment.

The CHAIRMAN.—The honorable and learned member gave a reference to a consequential amendment upon a Lord's amendment. Does he contend that the amendment of the honorable member for Bland is consequential upon the Senate's amendment? The honorable and learned member has submitted a reference to me, therefore, I ask him if he thinks that it thoroughly applies?

Mr. ISAACS.—I should say that it is consequent upon it, for the reason I have given, that it is relevant to the Senate's amendment, and that amendment is intimately and indissolubly bound up with the proviso immediately preceding it. It would be in the nature of an absurdity to say that one meaning should be given to the words "political purposes" in one proviso, and another meaning in another proviso.

The CHAIRMAN.—No meaning is attached to the words in the first proviso.

Mr. ISAACS.—But if we amend the Senate's amendment, as it is perfectly competent for us to do, by defining the words "political purposes," they will carry the same meaning in the first proviso. No one will deny the competence of the honorable member for Bland to amend the Senate's amendment, by providing that the words "political purposes" shall have a certain meaning. But if such an amendment were agreed to, its effect would be to attach the same meaning to the words in the preceding proviso. Otherwise, we should have an absurd position.

The CHAIRMAN.—Is the honorable and learned member of opinion that if the words "in this section" were omitted, the definition would not apply to the first proviso?

Mr. ISAACS.—I think that it would. I think that it would probably apply to the whole Bill. The words "in this section" might limit it to the clause now under consideration. If the words "in this section" are omitted, however, it is clear that the amendment will not be transgressing either the spirit or the expressed provision of the standing order.

The CHAIRMAN.—Does the honorable and learned member know if the words "political purposes" occur in any other part of the Bill? I have searched for them, but cannot find them.

Mr. MCCAY.—They are not elsewhere in the Bill.

Mr. ISAACS.—In that case the question would not arise; but if the words do occur in any other part of the Bill it is probable that any definition of them inserted in the Senate's amendment would probably be held to extend throughout the measure. The Senate has expressed its intention that the two provisos shall stand side by side, and be bound up together, and as we undoubtedly and undeniably have the right

to amend the Senate's amendment, it seems to follow as a matter of common sense, and to be within the expressed words of the standing order, that we can define the meaning that we intend shall be given to the words "political purposes." Remembering, moreover, that the policy which should actuate a Legislative Assembly is that it should not fetter itself more than is absolutely necessary, I think we should proceed with the consideration of the proposed amendment.

The CHAIRMAN.—I am very grateful to honorable members for the manner in which they have discussed this matter, although I regret that I am not yet able to materially shift from the position which I felt disposed to take up at the beginning. The Standing Orders make provision for the consideration of amendments, and in dealing with such amendments we are limited, not by any action which we may take ourselves, but by the Standing Orders. I find myself confronted with an amendment upon an amendment of the Senate, which, in my opinion, will have an effect beyond the amendment to which it applies, as it specifically covers other ground, and I have to ask myself whether I am justified in accepting an amendment having such an effect. Honorable members have not yet been able to advance satisfactory reasons why clause 55 should be considered as under the consideration of the Committee in its entirety. If the reference to us had been in terms like these, "The Senate desires to secure the insertion of certain words in clause 55," or "The Senate will agree to clause 55 if the House of Representatives will agree to the insertion of certain words," it would be competent for the Committee to deal with the whole clause, but, as things are, we can deal only with the amendments of the Senate as they stand. The amendment of the honorable member for Bland creates a difficulty. In using the words "in this section," he has drawn my attention specifically to the fact that the words which he wishes to define are to be found in another part of the clause, and it is his desire to apply his definition to them. If the words "in this section" were omitted from his amendment, there would be no difficulty, so far as I am concerned, because I should only be called upon to rule as to whether the amendment was strictly relevant to the Senate's amendment. At the present time, the question is not one of relevancy, but of application and effect. I shall be very glad if honorable members can show me that clause 55 is under discussion, and can be amended as proposed.

Mr. WATSON.—I appreciate your suggestion, Mr. Chairman, and, so far as my immediate purpose is concerned, would be willing to omit the words "in this section," because the words "political purposes" do not appear in any other part of the Bill, and, therefore, the words "in this section" are not necessary to effect my purpose. But if the attitude which you have taken up——

The CHAIRMAN.—I have not yet given a ruling.

Mr. WATSON.—I was about to say that, to my mind, if the amendment were ruled out of order, it would have a restrictive effect upon our action in the event of any future disagreement or difference with the Senate. I should, therefore, like a course to be taken on this occasion similar to that which was taken some three years ago, when, a highly important question of procedure having been raised, it was, after the Chairman of Committees had given his opinion, referred, on the motion of the present Prime Minister, to Mr. Speaker. I make this suggestion because I think it highly desirable that a definite course of procedure should be laid down by obtaining the opinion of the chief presiding officer of the House. Otherwise we might have two opinions—one governing our proceedings in the House, and the other governing our proceedings in Committee.

Mr. REID. — As honorable members are aware, the Minister of Defence and myself were forced to consider the amendment of the honorable member for Bland very hurriedly, and, coming to the conclusion that it was not strictly in order, a point of order was raised by my honorable and learned colleague. But, as the debate has gone on, I have become more and more doubtful on the point. I agree with the Chairman that the question is one of some difficulty. We are perfectly willing, however, to withdraw our objection to the amendment.

Sir WILLIAM LYNE.—Would it not be better to have a ruling on the point?

Mr. REID.—I am quite agreeable to that course being taken, but I wish to withdraw my objection to the amendment, in order to save time.

Mr. GROOM.—Then do the Government intend to accept the amendment?

Mr. REID.—Almost all of it. There is a great deal in it which we may fairly and honestly accept. I wish to withdraw the point of order, to save time, because, if it is

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referred to the Speaker, there will probably be a lengthy argument. If we are allowed to withdraw the point of order we shall be very glad to do it. I do not wish to obtain a ruling that would have the effect of restricting the liberties of honorable members. I quite appreciate the position assumed by the leader of the Opposition when he says that we should never be anxious to restrict the rights of honorable members in matters of this kind. We have had time to consider the matter in the light of the discussion which has taken place, and do not wish to press the point of order any further.

Sir WILLIAM LYNE.—Is it not rather important that we should obtain a decision?

Mr. REID.—We do not know what the decision may be, and I do not know that it would be of any use to us in other cases, the circumstances of which might differ. Therefore, in the interests of latitude and freedom of discussion, I think that we might withdraw the point of order.

Mr. MCCAY.—In matters of this kind one does not desire to be influenced in one's judgment by the character of the proposal before the Committee. When I drew the attention of the Prime Minister to the matter, it appeared to him, as it did to me, that the amendment went beyond our powers in regard to the Bill. I am free to admit, however, that there is a great deal to be said on the other side. I do not say that I have been converted to the view of honorable members opposite, but no harm can arise from the withdrawal of the point of order. If a decision be still insisted upon, it is conceivable that the Chairman, or the Speaker, or both, may take a restrictive view, which we might subsequently have occasion to regret.

Mr. HIGGINS.—We have spent hours in debating this matter, and I wish to know if all our time is to be wasted?

Mr. REID.—Honorable members are becoming very sensitive about the time wasted in debate.

Mr. MCCAY.—I do not wish to do anything that will impose any permanent restriction upon debate. I think that it is only fair that we should propose to withdraw the point of order and leave the Committee as free as it was before the point of order was raised. The time devoted to this discussion will not be wasted, because the arguments used will be placed on record, and be available for reference upon future occasions when similar points arise. I submit that, with the concurrence of the Committee, the Chairman might allow the point of order to be withdrawn. I think that we may fairly give honorable members the benefit of the doubt. I may mention to the honorable member for Kennedy that, in the absence of the Prime Minister, it is obvious that I could not take upon myself the responsibility of adopting his suggestion, but I communicated with the Prime Minister directly he entered the Chamber, and he adopted the course suggested at the very first opportunity.

Mr. MCDONALD.—I suggested that the point of order should be withdrawn some time ago. Considerable time has been occupied in debating this matter, which I regard as one of great importance, as affecting the relations between the two Houses. The Prime Minister did not assist us in coming to a decision.

Mr. REID.—Unfortunately, I have other matters to attend to.

Mr. MCDONALD.—The right honorable gentleman was listening to the debate for fully an hour.

Mr. REID.—I assure the honorable member I was not.

Mr. MCDONALD.—As the Government have decided to accept the amendment with certain modifications, I do not see any reason why we should bother about the point of order any further.

The CHAIRMAN.—I have been anxious from the first to ascertain the feeling of honorable members. The withdrawal of a point of order does not absolve the Chairman from the duty imposed upon him by his office, and I feel that I have only one course open to me, namely, to give my ruling with regard to the amendment. If no other honorable member desires to address the Chair, I shall give my decision.

Mr. CARPENTER.—I desire to offer one or two remarks with regard to the contention of the honorable and learned member for Ballarat, that, as certain provisions in clause 55 relating to the granting of preference had been passed by the House and forwarded for the concurrence of the Senate, it was beyond our power to in any way alter them. He urged further, that the Senate had made an addition to the clause which introduced totally new matter, having no necessary relation to what we had done in the prior part of the clause. May I point out that the provision suggested by the Senate cannot be considered apart from the provisions of clause 55. The proviso is connected with the words which immediately pre-

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cede it, and is merely an addition to the clause as adopted by this House. Therefore, it cannot be regarded as separate and distinct. The Senate would probably not have agreed to our proposals if it had been precluded from adding the words contained in the amendment. That being so, the argument of the honorable and learned member for Ballarat that something entirely new has been proposed, appears to me to fall to the ground. We are really dealing with one provision which has been constructed in two parts by this House and the Senate respectively. If that view be adopted, possibly a great deal of the difficulty felt by the Chairman will disappear.

The CHAIRMAN.—I am of opinion that it is not competent for the Committee at present to amend the clause, apart from the proviso proposed to be inserted by the Senate. I hold, further, that the amendment proposed by the honorable member for Bland would tend in that direction. Against the argument that such a ruling would limit the liberties of the Committee, I desire to say that I have already announced my willingness to accept the amendment, if the words "in this section" are excised. Honorable members will, therefore, see that there is no restriction of their liberties. I should have preferred that, by the omission of these three words, the decision regarding their application to another part of the clause should have been left to another authority. But I have listened very carefully to the remarks of honorable members, and I again desire to thank them for the assistance which they have given me, and for the manner in which they have addressed themselves to this very difficult question. It is one for which there is no precedent. I do not think that a similar case has previously occurred, and therefore I have been compelled to rely strictly upon my interpretation of the Standing Orders by which we are governed. I therefore rule that the proposal of the honorable member for Bland travels beyond the scope of the amendment made by the Senate, and that consequently it is out of order.

Mr. Watson.—If I may be allowed to do so, I should like, sir, to follow the course which was taken upon a previous occasion, without implying in the slightest degree any disrespect towards yourself, because I am absolutely satisfied that the decision at which you have arrived has been put forward in the most conscientious manner, and with a desire to assist the Committee. The last occasion upon which a very important question of procedure cropped up was on the 12th November, 1901, when the point was raised as to whether an honorable member was in order in endeavouring to increase the rate of duty under the Tariff beyond the amount covered by the Governor-General's message. Upon that occasion the Chairman ruled that it was in order to do so, and thereupon the present Prime Minister suggested that the point should be referred for decision to Mr. Speaker.

Mr. Conroy.—I still disagree with the Speaker's decision upon that occasion.

Mr. Watson. — The honorable and learned member for Werriwa occupies the position of the solitary recruit who thought that the whole regiment was out of step with him. Upon the same evening the present Prime Minister moved—

That Mr. Speaker be requested to give his opinion as to whether any private member may propose an increase in a rate of duty under consideration in the Committee of Ways and Means.

As this is admittedly a difficult, and certainly a most important question, affecting, as it does, the possibility of agreements and compromises being arrived at between the two branches of the Legislature, I would suggest that it should be referred to Mr. Speaker for his opinion.

The CHAIRMAN.—After having given my decision, I hope honorable members will understand that I am most anxious that we should adhere to the Standing Orders. Standing order 228 provides—

If any objection is taken to a ruling or decision of the Chairman of Committees such objection shall be stated at once, in writing, and may forthwith be decided by the Committee; and the proceedings shall then be resumed where they were interrupted.

I would point out that it does not say that the objection "shall" be forthwith decided by the Committee. If the Committee decide that it be submitted to another authority, I have no objection to that course being followed. But, personally, I would prefer that it should be decided by the Committee, which, I think, is quite competent to deal with it without any further debate. I have been asked to allow the point of order to be withdrawn, and to accept the amendment. I cannot consent to that proposal, but I will readily agree to the decision of the Committee, which, I feel, would be in the direction of placing the amendment in order.

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Mr. WATSON.—I trust that the course which was previously followed will be adopted upon the present occasion, with concurrence. The Standing Orders provide that this matter can be approached in the House in another way, and, therefore, I hope that no objection will be raised to the adoption of the course which was previously followed.

Mr. CROUCH.—I notice that the standing order provides that if any objection be taken to a ruling of the Chairman, it shall be stated at once in writing, and may forthwith be decided by the Committee. I submit that that means that the Committee should decide the question immediately. I am glad that the Chairman proposes to stand to his guns. I fail to understand why he should be called upon to stultify himself in this matter. I admire a man who is ready to defend a position which he has assumed, and I think that it is a very great mistake for suggestions to be made from both sides of the Chamber that the Chairman should abrogate his rights in connexion with this question.

Mr. REID.—In the interests of the Committee, I wish to point out that it will be far more satisfactory to us to obtain a ruling from the highest authority than to express our individual opinions by means of a vote. Seeing that we have a Speaker of high competence—and I believe that the leader of the Opposition informed him some little time ago of his intention to submit this proposal—it would be more satisfactory for us to be guided by him than by a mere chance division.

Motion (by Mr. WATSON) agreed to—

That progress be reported with a view to obtain Mr. Speaker's opinion upon the point of order decided by the Chairman; and that the Committee ask leave to sit again.

Progress reported.

In the House:

THE CHAIRMAN OF COMMITTEES.—I have the honour to report, by direction of the Committee, that the honorable member for Bland has submitted an amendment, which I ruled out of order. That amendment was in the nature of an addition to a motion by the Prime Minister. The Prime Minister had moved in connexion with clause 55—

That the amendment of the Senate be agreed to.

Thereupon the honorable member for Bland moved—

That the motion be amended by the addition of the following words :—

" Political purposes " in this section does not include obtaining or maintaining provisions applying to all persons in any particular industry without discrimination, as between those who are and those who are not members of an organization with respect to the regulation of the following industrial matters :—

1. Preservation of life and limb.
2. Compensation for injuries or death.
3. Sanitation.
4. The sex and age of employees.
5. The hours of labour.
6. The remuneration of labour.
7. Protection of salaries and wages.
8. Conditions of labour generally.

I have ruled that the amendment exceeds the scope of the Senate's amendment, and could not, in my opinion, under our Standing Orders, be received.

Mr. WATSON. — I do not desire to detain the House at very great length, because this very important point has already been considerably debated, but I would point out that any procedure which is likely to affect the possibility of arranging compromises between the two Houses of the Legislature must have a very important bearing upon the decisions which will be arrived at. I feel that it is highly desirable, in the interests of legislative peace, that where there is an element of doubt as between one proposal and another, the leaning should be towards the adoption of that course which offers the greatest freedom for arranging a settlement of any differences which may exist between the two Chambers. I contend that the proposal which I have submitted is in order, because it aims at qualifying an amendment which the Senate has made in clause 55 of the Conciliation and Arbitration Bill. That provision, as it was returned to this Chamber, contains the following proviso:—

And further provided that no organization shall be entitled to appear before the Court to oppose an application for preference by any organization so long as its rules or other binding decisions permit the application of its funds to political purposes, or require its members to do anything of a political character.

I contend that by inserting that proviso the Senate has materially qualified clause 55 as it left this Chamber. Had that provision been passed in the form approved by this House, it would have been open to any organization to appear before the Arbitration Court and to oppose the granting of a preference to unionists. The amendment of the Senate has had the effect of debarring some organizations from opposing the granting of a preference. It applies to organizations both of employers and employés, and therefore constitutes a very material qualification of clause 55. That being so, I maintain that we have a right

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to qualify the Senate's amendment by defining the meaning of "political purposes." Our Standing Orders declare that so long as an amendment is strictly relevant to the amendment of the Senate, it is in order. Standing order 192 says—

No amendment shall be proposed to an amendment of the Senate that is not strictly relevant thereto, &c.

I maintain that my proposal is strictly relevant to the amendment of the Senate. I would further point out that *May*, page 478, contains the following reference, which is somewhat similar in terms, although its phraseology is slightly different—

It is also a rule, that neither House may, at this time, leave out or otherwise amend anything which they have already passed themselves; unless such amendment is immediately consequent upon the acceptance or the rejection of an amendment of the other House.

I hold that this amendment is immediately consequent upon the acceptance or rejection of the Senate's amendment. Under these circumstances, I maintain that my proposal is in order, and I can only urge, as an excuse for bringing the matter under your notice, Mr. Speaker, its very great importance.

Mr. MCCAY.—I do not propose to argue this matter at length, for, in addition to what the Chairman has said, the honorable member for Bland, if I may be permitted to say so, has put the case very fairly before you, Mr. Speaker. I merely wish to say that I raised the point of order practically on the ground that the amendment, while affecting that sent to us by the Senate, would not only by its effect, but by the very use of the words "in this section," affect something to which both Houses had agreed. I refer to the earlier proviso in clause 55, which I submit it would not be competent for us to affect—at any rate in express terms—by further amendment. I urge that clause 55, as sent to the Senate, declared that, so far as this House was concerned, no person—and I use the word "person" in its broadest sense—could ask for a preference except upon certain terms. The Senate inserted an entirely separate proviso, that no person should be able to oppose the granting of preference except on the same terms. Our proposal limits the powers of those who desire preference, and the amendment made by the Senate limits the powers of those who wish to oppose preference. The Senate accepted our conditions relating to application for preference, but the amendment proposed by the honorable member for Bland avowedly seeks to limit applications for preference which both this House and the Senate have agreed upon. That was the main ground of my contention. I do not propose to labour the matter by quoting the Standing Orders bearing on the question, or what *May* says with reference to it, because I know, Mr. Speaker, that you are familiar with those points. I am quite content, having made this statement, of the substantial ground on which I raised the point of order, to leave the matter to your decision.

Mr. ISAACS.—Mr. Speaker——

Mr. SPEAKER.—The Standing Orders provide very clearly that when a point of order is raised, Mr. Speaker shall listen to the statement of the point of order by the honorable member who raises it, and shall then give his decision. In some cases I have given my ruling forthwith, but at other times I have sought such help as one or two honorable members on each side of the House might desire to give me. In this instance I have listened to a statement made by one more honorable member on each side of the House, and do not propose to require further assistance beyond that which, perhaps, one honorable member on each side may be prepared to give. It would unnecessarily take up the time of the House if I were to invite a general discussion on the point. I shall be pleased to hear one honorable member on each side, but no more.

Mr. ISAACS.—The simple question, as I understand it, is, what is there to prevent this amendment being put before the Chair? Standing order 192 provides—

No amendment shall be proposed to an amendment of the Senate that is not strictly relevant thereto; nor can an amendment be moved to the Bill unless the same be relevant to, or consequent upon, either the acceptance or the rejection of a Senate's amendment.

I take it that, unless that standing order forbids the proposed amendment, it can be put. The proposed amendment, in my opinion, does not come within the prohibition, and, therefore, may be put. It is no answer to that argument to say that it affects some other portion of the Bill. That is almost the inevitable consequence of any amendment. The Senate, by amending clause 55 in the way it has done—by inserting what I may call a co-relative proviso to one immediately preceding it—cannot have intended that a different meaning should be given to the words "political purposes" in the one proviso from that

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which is attached to the use of the same words in the other. As we have a right to define the words "political purposes," in the one case, it seems to be perfectly consequential that we should have the right to do so in the other. I feel sure that common sense and legality agree in giving the Committee power to consider the amendment.

Mr. SPEAKER.—In the first place, I wish to express my extreme regret at having to differ in any way from the ruling given by my honorable friend, the Chairman of Committees. It has always been a pleasure to me to support any decision which he has given in the exercise of his functions, and it is, therefore, with regret that I find myself compelled on this occasion to differ from the ruling which he has given. I should like, next, to say that if I had any doubt upon the question submitted to me, I should certainly give the benefit of it in the direction of conferring the largest possible powers on this House in determining any issue. I think that in any case of doubt we should rather seek to enlarge the powers of the House, than to limit them. For that reason, if I were in doubt on this question, I should give a ruling in the direction I have indicated. On this occasion, however, for reasons which I shall very briefly state, I have no hesitation in arriving at a decision. It is true that, as the Minister of Defence has said, there are two circumstances contemplated in the two provisos—the proviso in the Bill, as sent up from this Chamber, and that which has been inserted by the other branch of the Legislature. There is the proviso relating to an application for preference, and that relating to opposition to any gift of preference. But I have to look, not so much at the form, as at the substance of these proposals. When I examine the two provisos, I see that the other branch of the Legislature has most carefully followed, to the very letter, the form of our proviso in framing that which it has inserted, evidently intending that whatever principle applied to opposition to an application for preference should also apply to any application for preference. The same principle was intended to apply in each case. In fact, the Senate really asks us to insert after the word "Court" in the proviso which we passed the following words:—"or to appear before the Court to oppose an application for preference by any organization." Then the proviso would read on as passed by us. The substance of the whole difference between the two branches of the Legislature is evidently that whatever conditions are intended to apply in one case shall apply in the other. The conditions in each case must be identical. We have therefore not two separate matters, but one, to deal with, and that is the nature of the restrictions which are to apply either to an application for preference or to an opposition entered to such an application. On that ground, I rule that we may determine in any way which the House may desire what definition shall be applied to the words "political purposes" appearing equally in both provisos. The definition which we apply will have reference, not only to the second proviso inserted by the Senate, but also to that of which it forms an essential part—the proviso which was sent up from this House to the Senate. There are one or two other points which I think strengthen that view, but, as on this ground alone it seems to me that the matter is clear, I am content to leave it at that, and to rule that the amendment, if the House pleases to accept it, is one that we may make to the proviso which has been sent down.

In Committee:

The CHAIRMAN.—I have to report to the Committee that Mr. Speaker has ruled that the amendment moved by the honorable member for Bland is in order. I shall now proceed to put it.

Mr. REID (East Sydney—Minister of External Affairs).—I have been able to carefully consider this amendment, and find that it has the great advantage over all the arguments which we have heard for weeks and months past in reference to this vexed question, that it fairly and honestly recognises the interests of the workers as a whole, that it recognises the interests of unionists and non-unionists alike. I should like to clearly direct the attention of the Committee——

Mr. CROUCH.—This is simply marvellous.

Mr. REID.—All this is so amusing to me. I have not said more than half-a-dozen words before I find my honorable friends opposite becoming impatient.

Mr. HIGGINS.—We also are amused.

Mr. REID.—It only serves to show how soon we ought to get into recess. This amendment is expressed in terms that are refreshingly novel.

Mr. CROUCH.—Oh!

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Mr. REID.—I shall refer to their novelty in spite of the vacant laugh. It provides that—

"Political purposes" in this section does not include obtaining or maintaining provisions applying to all persons in any particular industry without discrimination as between those who are and those who are not members of an organization.

We are now on very different ground from that on which we have been fighting for some months past. The attempt to compel a court of justice to grant a preference, as between unionists and non-unionists, has now been safeguarded by two particular provisions. One of these provides that no such preference shall be given unless a majority of the persons in the industry—that means unionists and non-unionists indiscriminately—approve of preference being given. The other is a limitation, but not of any provision in the Bill. There is no limitation in the Bill. Some honorable members may perhaps misapprehend the point. There is no limitation attempted as to the organization of or the means of working the unions of Australia, in this Bill; there is no attempt to interfere with their concerns, affect their organizations, or limit their powers. The proviso is that, before you can get this preference from the Court, you must show that your union or organization—they are practically the same—does not spend its funds upon political agitation. The object of that proviso is plain. It is not to discourage trade unions. Those who are opposed to trade unions do not find me by their side. As I have said over and over again, I am entirely in sympathy with such bodies, so long as they do not attempt to exercise their powers to control their fellow-citizens.

Mr. Isaacs.—This will lead to another debate, probably.

Mr. REID.—Am I to say nothing on the subject?

Mr. Isaacs.—I am not reproaching the right honorable gentleman.

Mr. REID. — I hope that, after the laboured incubation of this amendment, I shall be allowed to say a word or two in regard to it. I have only just made its acquaintance. I wish to recognise everything that is good in it, though that, no doubt, is a source of keen disappointment in some quarters. I am not going to be made to appear to favour the limitation of the legitimate political rights of any man or body of men. We have got beyond that day. But we, on this side, have stood up against allowing any organization or body of men to obtain preferences from Courts of Justice which distinguish between one worker and another, except under certain safeguards. So long as the objects sought to be attained are in the true sense public objects, common to every man in the community, whatever his industry, I am opposed to any limitation of freedom. What is it that the amendment wishes to separate from the prohibition of the Bill? First we have "the regulation and preservation of life and limb," the passing of legislation for the preservation of the lives and limbs, not of trade unionists only, leaving their fellow-workers uncared for, but of all workers in every industry. Is there any one who objects to legitimate agitation for the improvement of the laws relating to the preservation of life and limb? If so, I am not with him. Such agitation might have been objected to 200 years ago, but I do not think that it is looked upon with suspicion in Australia nowadays. I have no desire to discourage and ban it. I say to the trade unionists and to the working men of Australia, "So long as your object is the general good of the workers, without claiming any right or privilege to yourselves which is denied to your fellows, I have no objection to your agitation for the improvement of your conditions." The next thing that is provided for is "compensation for injuries or death." We all know that that has been recognised as a subject of legislation in every country in the British Empire. There is no such country where such laws are not in existence, and I have no objection to any agitation for their improvement. But, like every other movement, it must commend itself to the intelligence and good sense of a majority of the electors and of the Legislature. The right to express opinions on these subjects, with a view to securing reform, is one which I deny to no man, and to no body of men, but I should strenuously oppose an agitation for a special law to preserve the limbs and lives of unionists only, no care being taken of non-unionists.

Mr. Higgins.—Who has ever advocated that?

Mr. REID.—I admit that it has not been advocated, but I am drawing a distinction between the track which my honorable friends have been following for weeks past, and that which they are now on. They have now come back to a common ground, on which we can meet them. The third

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subject is "sanitation." Does any human being object to agitation for the improvement of the sanitary laws of the country? I do not, so long as the sanitation is to include the dwellings of non-unionists as well as of unionists. I would object to sanitation which passed over non-unionists for the benefit of unionists. The preamble, however, covers both parties, and confirms the principles for which we have been fighting so steadfastly during all these weary months. We have asked that no discrimination shall be made in these matters between those who are members of organizations and those who are not. I welcome my friends back to the broad ground of national legislation. The fourth subject is "the sex and age of employés." There have been laws on the statute-book even of the mother country for a long time past preventing inhumanity by the employment of children of tender age in industrial occupations whose burdens they were unfit to bear, and prohibiting conditions under which the sexes have been employed together in a manner repulsive to every feeling of modesty and self-respect. Who objects to agitation for the improvement of such laws, so long as not only the unionist boy and the unionist girl, but all boys and girls are legislated for? The fifth subject is "hours of labour." In many of the States the hours of labour in some occupations are already regulated by statute. In Victoria there is such legislation affecting the miners, and I believe that there is similar legislation in New South Wales. The Postmaster-General, when Minister of Mines and Agriculture in that State, had the honour to pass a law which very much improved the conditions of the miners, and although he tried to provide for a limitation of hours of labour, he failed to do so, because of the action of the more conservative House of the Legislature in throwing out his proposal. Then there is legislation on the New South Wales statute-book regulating the ages at which children may be employed. I have no objection to any man, or any number of men banded together in a trade union, taking political action to bring about even better legislation upon such subjects, though, before such legislation can have effect, the electors and the Legislature of the country must agree to it. The "remuneration of labour" is another legitimate subject for political agitation by the workers of the Commonwealth. I do not wish to limit the healthy individual freedom of any man or of any body of men in Australia. We have so far been dealing with a widely different subject, with the demand that a Court of Justice shall use its powers to make distinctions in every-day work between one man and another. That is a different thing from preventing individuals from agitating for domestic reform by the improvement of laws relating to the comfort and the conditions under which workers are employed. I should be very sorry to think that any member of this House wished to impede such activity. The "protection of salaries and wages" has, I understand, been provided for in New South Wales.

Mr. KENNEDY.—And in Victoria, too.

Mr. MAUGER.—Partially.

Mr. REID.—I think there is no one who does not sympathize with the abuses which have occurred over and over again through men who, after working week after week on a large contract, have, when it is finished, been deprived of their wages, sometimes by misfortune, and at other times by dishonesty and fraud. Is there any one who does not sympathize with the desire of the workers to secure the payment of the wages which they have earned? Now I come to the last of the matters enumerated in the amendment of the honorable member for Bland. I understand my honorable friend to wish to embrace all matters that cannot be specified, similar in character to those that are mentioned. The honorable member will see that the words "conditions of labour generally," might permit of the circulation of a socialistic propaganda. I know that the honorable member does not wish to use ambiguous words that can be construed in two or more different ways. I feel quite sure that he does not wish to introduce, at the end of the amendment, a provision that will be more important and far-reaching than all the others, and to couch the provision in general words, the meaning of which cannot be easily understood. My honorable friend does not draw up amendments in that spirit. My desire is that the matter shall be clearly expressed, and I suggest that, for the words "conditions of labour generally," we should substitute the words "similar conditions affecting employment." There is another amendment that I would suggest, namely, that the word "industrial," in the opening paragraph of the amendment, should be excised. The term "industrial matters" is there used in a general sense, and not in the technical sense in which it is employed in other parts of the Bill. Under the interpretation clause, the term

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"industrial matters" has a technical definition, and it would be as well to avoid any possibility of confusion.

Mr. WATSON.—I am willing to accept the right honorable gentleman's suggestion with regard to the excision of the word "industrial."

Mr. REID.—It is a great pleasure to me to be able to accept an amendment from my honorable friends opposite. I shall be prepared to accept the whole of the amendment with the slight alteration I have suggested.

Mr. ISAACS (Indi).—I am very glad indeed that the Prime Minister has seen his way to accept the amendment. I think that it will tend to a large extent to soften the feeling which has undoubtedly arisen with regard to the attitude of the Government in respect to the Bill. I should like to say—and this is the only reason why I made an interjection whilst the Prime Minister was speaking—that it seemed to me that he was travelling over the old ground to a certain extent. There should be no misunderstanding in the country as to the attitude maintained by the Opposition with regard to the matter referred to by the right honorable member. We never for a moment advocated anything with the slightest intention of influencing the Court and causing it to deviate from the strict path of official duty. Nothing could be further from the truth than to suggest that we had any such intention, and nothing could be further from the effect of the provisions advocated by us. There is not a line in the Bill, or a syllable, which dictates to the Court that it should ever give preference irrespective of the circumstances connected with the application. All the Bill says about preference is that the Court shall have the fullest power to give or refuse, according as it thinks just or right, and if not a single word of limitation had been inserted in the Bill, there would not have been the smallest possibility of influencing the Court except by evidence and legitimate argument. But limitations have been imposed which are not found in any other similar measure. These limitations, which were not objected to by the members of the Opposition, relate to the notice to be given to persons interested in any application made to the Court, as to the nature of the organization which shall be entitled to ask for preference, and other matters. I say, without any fear of successful contradiction, because the Bill itself will show it, that the only fight on the part of the Opposition in relation to the matter of preference has been conducted with the object, not of gaining an advantage for unionists over non-unionists, but of assisting unionists to achieve their legitimate aspirations, which are directed to the good of labour at large. If there had been the least indication of a desire on the part of the Labour Party to insert in the Bill any provision that would have given the unionists an unfair pull over non-unionists they would have found me opposing them.

The CHAIRMAN.—I hope the honorable and learned member will not enter upon a general discussion of the clause. I understand that he is explaining an interjection that he made.

Mr. ISAACS.—Exactly, and I think it is only fair that I should do so. I desire to be quite frank with the Committee. In relation to this amendment, for which I am to some extent responsible, I desire to point out that there has been no departure by the Opposition from the position taken up from the first, and I do not think it is fair to represent to the country that we are now abandoning the fight in which we have hitherto been engaged throughout the discussion of this Bill. We must place on record the fact that our efforts in regard to preference have been in the direction of enabling unionists to secure the amelioration of the conditions of labour for all workers alike.

Mr. REID.—Once honorable members came on that ground we met them; that ground is common to both of us.

Mr. ISAACS.—Then let us remove the misunderstanding, if one has existed. Does the right honorable gentleman wish to have it believed—I do not think he does—that the unionists and the Labour Party, who are supporting them, are endeavouring to steal a march upon the non-unionists of this country? The demands we made were legitimate, and this amendment is in perfect consonance with them, because the unions which are endeavouring to improve the conditions of labour would be placed at a decided disadvantage if there were no power to grant preference. The penalization of the unions would be so great that they would be deterred from making any efforts to advance the cause of labour. When we admit that any political purpose that has not for its object the advancement of labour of every kind, whether organized in unions or not, is indefensible, so far as preference is concerned, we make no departure from the principles we have advocated from the beginning.

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The two great points upon which the Prime Minister relied find no place in this Bill. The first point had reference to political interference with the Court, and the second, which he urged constituted a departure from the position to which we assent in this amendment, was that an undue advantage had been sought on behalf of unionists. Neither of these matters finds any place in this measure. I wish it to be remembered —and I desire to place the fact upon record—that the great advance which has been made in liberalizing this measure is not due to the Government side of the Chamber, but rather to the Opposition.

Mr. ROBINSON.—This is what we may call gratitude.

Mr. ISAACS.—I am glad that Ministerialists feel the force of my remarks in this connexion.

Mr. ROBINSON.—I rise to a point of order. I desire to know whether the honorable and learned member is in order in entering into a general discussion of the principles of this Bill? If he claims that privilege, other honorable members will do so.

The CHAIRMAN.—Order! I hope that I shall be allowed to address the Committee without interruption. The honorable member for Wannon has asked whether the honorable and learned member for Indi is in order in discussing the general principles of the Bill. My reply is, "Certainly not." But I would point out that the honorable and learned member is not now discussing the Bill.

Mr. ROBINSON.—He did so.

The CHAIRMAN.—But in reply to a request from the Chair he curtailed the scope of his remarks. What he said was rather by way of personal explanation.

Mr. JOHNSON.—I hope that we shall all be afforded the same privileges.

The CHAIRMAN.—I would point out that the honorable and learned member for Indi, when interrupted, was debating strictly the amendment before the Chair.

Mr. ISAACS.—When I was interrupted, I was discussing nothing but the amendment. The Prime Minister stated to-night that what was embodied in the amendment was all that the Government had fought for. If that be so, it is remarkable that no such proposal ever emanated from them. It remained for the Opposition to bring forward, not only in principle, but in form, an amendment which I venture to say will exercise a very beneficial and enlarging influence upon the whole measure. I believe that it will not only satisfy the desires of the real friends of the Bill, but that it will go a long way towards conquering the bad feeling which has been engendered in our discussions.

Mr. BRUCE SMITH (Parkes).—When the honorable and learned member for Indi began his speech he expressed pleasure that the Government had seen fit to adopt this amendment. The honorable member, however, is not a good actor.

Mr. ISAACS.—I say what I mean.

Mr. BRUCE SMITH.—The honorable and learned member had not been upon his feet more than five minutes before he showed unmistakable indications of great disappointment; and from that moment his speech has been a tirade against the Government—not for resisting the amendment, but for adopting it. I speak as an outsider, who was absent from the Chamber when the proposal was adopted by the Prime Minister. But it does not take one long to understand the honorable and learned member for Indi. The five minutes during which I was present in the Chamber were sufficient to convince me that though the honorable and learned member had begun his speech by expressing pleasure that the Government had adopted the amendment, he was really sorry that they had done so, and is now anxious that the country shall know that he is the designer of it. He informed us in a modest way that he had had "a little to do with it" himself. From the moment that I saw its phraseology, I recognised the designer. Although, as a whole, that amendment is unobjectionable, it contains certain words which are utterly unnecessary, and which have been inserted only to parade something with which the honorable and learned member has never exhibited any sympathy, namely, a desire to help non-unionists. Why do we require, at this stage, any definition of what are "political purposes" in the case of non-unionists? They have no organizations, and no attempt has been made to limit them in any way. This piece of legislative "burly" is thrown into the amendment merely as a sort of political bird lime, and to give to the public the idea that the party for whom the honorable and learned member now speaks has throughout been most anxious to assist the non-unionists of Australia.

Mr. ISAACS.—The honorable and learned member himself is more disappointed than is anybody else.

Mr. BRUCE SMITH.—Are we never again to hear the word "scab" used in this

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country? Is this amendment designed by the honorable and learned member to indicate that henceforth unionists and non-unionists are to be a happy family, and that no harsh terms of opprobrium are to be applied to the latter? If that were so, one would hail the amendment with unlimited pleasure, because it says—

"Political purposes" in this section does not include obtaining or maintaining provisions applying to all persons in any particular industry—

Then comes the "burly"—

without discrimination, as between those who are and those who are not members of an organization with respect to the regulation of the following industrial matters :—

These words are utterly useless as applied to non-unionists.

Mr. WATSON.—The Prime Minister declared that it was their inclusion which induced him to accept the amendment.

Mr. BRUCE SMITH.—The whole purpose of the amendment is to place something like a definite interpretation upon the word "political." Though the proposal is designed not to block other matters from being held to be of a non-political character, it practically lays down the lines upon which the powers of existing unions may be exercised without depriving them of the right of having their cases adjudicated upon by the Arbitration Court. But in the case of non-unionists, everybody who reads these words, even with a minimum of literary intelligence, must realize that they are utterly unnecessary. If the honorable and learned member for Indi, as the creator, or even one of the parents, of this amendment, imagines that the public of Australia will think that the Labour Party have always been anxious to provide for the non-unionists, as well as for the unionists, he is welcome to his belief. But, although I hold that the words to which I have referred are utterly useless, they are quite harmless. As an affectation of good-feeling towards the non-unionists, they have no value. The public have been reading the debates upon this Bill for months past, and they know the attitude which the Labour Party has assumed towards non-unionists. The word "scab" has been thrown across this Chamber over and over again; and the honorable and learned member for Indi is entirely in sympathy with the use of that word.

Mr. ISAACS.—I ask that the honorable and learned member be compelled to withdraw that statement.

The CHAIRMAN.—To what statement does the honorable and learned member object?

Mr. ISAACS.—The honorable and learned member has stated that I am in sympathy with the use of the word "scab." His statement is absolutely inaccurate, and he had no right to make it.

Mr. BRUCE SMITH.—In view of the honorable and learned member's repudiation, I withdraw my statement, and apologize most humbly. He has addressed the Committee as if the acceptance by the Government of this amendment constituted a complete vindication of his attitude upon the question from beginning to end. I have no hesitation in saying that the object of the amendment was not only to embarrass the Government, but to embarrass the whole of their supporters before the people of Australia. It has utterly failed to do so. If there ever was anybody who was "hoist with his own petard," it is the honorable and learned member. I regard the amendment really as a concession, because so long as the word "political" remained undefined, it was quite possible to contend that the advocacy of such a scheme as the nationalization of the tobacco industry was an allowable function of trade unions. But the honorable and learned member for Indi has now laid it down, in terms to which I cannot take exception, that the functions which those organizations are permitted to discharge are purely of an industrial character. Nobody has contended for a moment that a trades union should not be permitted to use its organization for any and every such political purpose, so long as it did not attempt to make itself a sort of seed-bed of Socialism—a kind of nursery for the espousal of the nationalization of State industries.

Mr. WATSON.—Their members will attend to that business quite as well in their individual capacity.

Mr. BRUCE SMITH.—As one of the most pronounced individualists in this Parliament, I hail the amendment with confidence, because under its operation the wings of these organizations will be clipped, so as to prevent them being used for unlimited political purposes; and that owing to the efforts of the Labour Party itself. Who could object to this proposal? The "preservation of life and limb" does not involve any political principle. Neither does the question of "sanitation" nor of the "sex and age of employés." "The hours

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of labour " is a matter upon which unionists are justified in seeking legislation. " The remuneration of labour " relates to the wages which a unionist shall be paid. I have justified the existence of trades unions for many years. Seventeen years ago, I published a magazine article, a considerable portion of which was devoted to justifying trade unions as a means of dealing—through their officers—with a large body of men, whom it would be impossible to reach individually. Nobody can object to a trade union maintaining a particular rate of wage, any more than one can object to a bank maintaining its rate of interest, or keeping down its rate of discount. Passing on to the matter of the " protection of salaries and wages," I claim that that constitutes merely a repetition of the same thing. The last words, if I may say so without any warmth, have a somewhat dangerous aspect. Although every lawyer in this House is aware that the doctrine of *ejusdem generis*, when applied to this provision, would have the effect of limiting its operation to matters of a kindred nature to those which precede it, it is desirable that the public should understand that the last of this category may be intended as a sort of drag-net to bring in a number of matters which were not included in the preceding paragraphs. As long as it is perfectly clear that it is not intended by paragraph 8, to include matters which are not covered generically by the preceding paragraphs, I shall have no objection. There is one other objection which I am sure that honorable members generally will recognise. In the last sentence in the general provision, which precedes the category, the phrase, " The following industrial matters " is used. " Industrial matters " is a term that is defined in the interpretation clause.

Sir WILLIAM LYNE.—But the leader of the Opposition has agreed to strike out the word " industrial."

Mr. BRUCE SMITH.—Then, I see no objection to the proposal. I can only say that I am very glad of the opportunity to convince any one who has any doubt about the matter, that, although I may at times express myself very emphatically upon industrial questions, I have always been an advocate of trade unionism. I have no desire to see trade unions limited in their functions, as long as they are not used, contemporaneously with their being adopted for the purposes of this measure, and as organizations which non-unionists may have to join, as seed-beds for political purposes, which have nothing to do with that which I should call legitimate union work. Subject to that condition, I hail the amendment with pleasure, and I say quite seriously to the leader of the Opposition, that, so far from regarding it as a concession on the part of the Government, or of rabid individualists, I should look upon it as a definition which has a curtailing rather than an extending effect upon the term " political " as used in the Bill in which it is to be inserted.

Mr. WATSON (Bland).—With regard to the remarks made by the Prime Minister, I may say that I have no objection to the elimination of the word " industrial." If that be done, it certainly will not limit the operation of the proviso, and it may perhaps prevent any conflict with the term " industrial matters," as defined in clause 4. Coming to paragraph 8, I think that it would perhaps be as well to substitute for the words " Conditions of labour generally " the words " Other conditions similarly affecting employment." That would remove the objection which has been put forward. The honorable and learned member for Parkes has stated first of all that he regards this amendment as a restriction of the original proposition. Considering that the original proposition, if insisted upon, would have debarred unions from taking part in political agitations of any character, I fail to see where the restrictive effect of this amendment comes in. The effect of the original provision was certainly to prevent a union from taking any political action with respect to matters of the most legitimate character, and having no relation to party politics.

Mr. LONSDALE.—Was not that amendment drafted by the honorable and learned member for Darling Downs?

Mr. WATSON.—It was drafted by the honorable and learned member for Corinella, and subsequently modified, as the result of a proposal made by the honorable and learned member for Darling Downs. The honorable member for Parkes has spoken of the anxiety which, according to him, has been suddenly displayed by honorable members of the Opposition for the interests of non-unionists. Curiously enough, the Labour Party draws the greatest amount of its support from non-unionists. Does the honorable and learned

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member mean to say that in New South Wales the unionists would alone be able to return to the Parliament the number of labour members who are elected? The honorable member also knows that Sydney, where the bulk of the unionists of New South Wales reside, has the smallest measure of labour representation.

Mr. JOHNSON.—And yet honorable members opposite have called non-unionists "scabs" and "black-legs."

Mr. WATSON.—That is not correct.

Mr. ROBINSON.—I have heard the honorable member for Kennedy speak of them in that way.

Mr. WATSON.—The honorable member for Lang, the honorable and learned member for Parkes, and also the honorable and learned member for Wannon, have fallen into an egregious error in regard to this matter. In my experience of unionism, the only men to whom such opprobrious epithets have ever been applied are not the non-unionists as a class, but that particular section who are ready to step in, and accept work under conditions against which unionists are striking. Men who take work in an industry in relation to which there is a strike in progress, have had applied to them by unionists generally such terms as "scabs" and "black-legs," as well as other opprobrious epithets. But non-unionists generally are not of this class. They are men who, from one cause, or another, are not in the ranks of unionism, but who, in the vast majority of cases, are in absolute sympathy with the efforts of unions to better the conditions of the working classes. That sympathy is made manifest, not only in the political arena, where, as I have said, the Labour Party derive the largest proportion of their support from non-unionists, but also in connexion with serious labour disputes. When the maritime strike took place, men who had never been organized put their hands in their pockets, and liberally assisted the unionists who were struggling for what they considered to be reasonable conditions of employment.

Mr. WATKINS.—We sent £16,000 to assist the men in Victoria.

Mr. WATSON.—Quite so. The great bulk of non-unionists have always manifested their sympathy with trade unions, and that fact has always been recognised by the unionists themselves. Unionists have never been so selfish as to refuse to share with others the benefits they have won. With the exception of one or two unions, which have attempted, as honorable members opposite have said, to set up a sort of close corporation—a proceeding to which I have for many years offered the most strenuous opposition—every trade organization has been glad to throw open its doors to non-unionists, and to share with them the privileges which their energy has succeeded in winning. In these circumstances, it is ridiculous for the honorable member for Parkes to argue in the way he has done. There is certainly no foundation for the suggestion that our amendment has been put forward merely with a view to embarrass the Government.

Mr. BRUCE SMITH.—I accept the honorable member's assurance.

Mr. WATSON.—Some time ago I consulted the honorable and learned member for Indi as to the form the amendment should take. I first suggested to him the desirableness of having the term "political purposes" so defined as to allow of unions taking part in political agitations in no way associated with party politics.

Mr. BRUCE SMITH.—But the honorable member kept it dark so long, and then broke the news suddenly.

Mr. WATSON.—I did not think it desirable to publish the proposed amendment until I had satisfied myself that it was framed in the best possible way to secure the object at which I was aiming, and at the same time to insure its meeting with success. One is justified in these circumstances in refraining from publishing the terms of a proposed amendment until he is quite certain that it is in the best form. The amendment has been submitted with a genuine desire that unionists shall be allowed to take part in legitimate political agitation —in political movements in which they have been able to engage for years—a right of which it would be most improper for us to attempt to deprive them. I ask leave to amend the amendment by omitting the word "industrial," and also to amend paragraph VIII. so that it will read, "Other conditions similarly affecting employment."

Amendment, by leave, amended.

Sir WILLIAM LYNE (Hume).—I listened with some amusement to the vehement attack made by the honorable and learned member for Parkes on the honorable and learned member for Indi, whom he described as a good actor. I do not know whether he is, but I know some honorable members who are. The honorable and learned member for Parkes is a consummate actor. I

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venture to say that no honorable member who may speak to-night in the way that he has done will be secretly boiling over with indignation, as he is, at the action of the Government in accepting the amendment.

Mr. BRUCE SMITH.—The honorable member thinks I do what I do not like. That occurs very rarely.

Mr. ISAACS.—All that the honorable and learned member has written shows that he is opposed to the cause of labour.

Sir WILLIAM LYNE.—Every book and every article that the honorable and learned member has written shows that he is absolutely opposed to the labouring classes of Australia. Whenever he has had an opportunity to strike a blow at the labour movement in Australia he has done so. He would now endeavour to hoodwink the Committee, and lead it to believe that he is glad to see some action taken in the interests of labour. The position taken up by him is most amusing. I may say that there are other actors in the Committee, and that the Prime Minister is amongst them. I do not make this assertion in any malignant spirit.

Mr. REID.—Unlike the honorable member, I am not a heavy tragedian.

Sir WILLIAM LYNE.—We saw to-night the most consummate piece of acting that it has been our privilege to witness for some time. I enjoyed in a quiet way the exhibition of sincerity made by the Prime Minister in accepting the amendment. It was also amusing to listen to his eulogy of the State Government of which he was the head. He asserted that that Government had rendered great service in the interests of labour, but when he appealed to the Postmaster-General it seemed to me that the information received from that honorable gentleman discounted his statements. He was reminded that the State Government of which the right honorable gentleman was the head did not carry the Eight Hours Bill.

Mr. SYDNEY SMITH.—We carried it through the Lower House.

Sir WILLIAM LYNE.—But did not place it on the statute-book. I wish to direct the attention of the Prime Minister to one or two inaccuracies in the statement made by him in accepting the amendment. What did the Government do in the first instance? Did they not propose to accept the amendment as inserted by the Senate? Although the Prime Minister has now accepted the amendment, he had previously moved that the Committee agree with the amendment of the Senate, which would prevent the members of organizations from exercising the rights which he is now willing to give to them. Therefore, one of two things must have happened. Either he did not give sufficient consideration to the Senate's amendment, or the interest in the unionists and the non-unionists of Australia, which was so prominent a feature in his speech, was created in him very suddenly. I congratulate him upon being able to wheel round so quickly, and accept an amendment of this kind, after doing all he could to defeat it with a view to the passing of an absolutely contrary proposal. I think that the amendment of the honorable member for Bland will greatly improve the Bill, and will tone down a great deal of the opposition which would otherwise be shown to some of its provisions. The Prime Minister took the various parts of the amendment one by one, and said, in regard to each of them, "No one can object to this; no one can object to that." The Opposition never objected to giving the trade unions the fullest opportunity to move for legislation on all these matters. The amendment of the Senate, however, to which the Prime Minister wished the Committee to agree, would have prevented unionists and others from utilizing their funds for political purposes without defining the meaning of those words, and in this way I believe that every union would have been prevented from expending a penny in securing the return of any member of Parliament.

Mr. BRUCE SMITH.—Under the amendment of the honorable member for Bland, the unions would not be able to spend their money on the employment of Mr. Tom Mann as a Socialist lecturer.

Sir WILLIAM LYNE.—Perhaps not. However, the only way to secure the amelioration of the conditions of the labouring classes is to return to Parliament men who will pass legislation dealing with compensation, hours of labour, sanitation, and so on. If the unionists do what they were told to do when the strikers were being tried at Deniliquin, they will seek to redress their grievances at the ballot-boxes, and not by strikes, and the amendment of the honorable member for Bland will enable them to do so by allowing them to spend money in securing the return of candidates pledged to advance the subjects named.

Mr. BRUCE SMITH.—That would be to the State Parliament. This Parliament

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could not pass an Act dealing with sanitation.

Sir WILLIAM LYNE.—They will be able to spend their money in returning members to this Parliament to secure for them every reform which can be obtained under the Constitution. Therefore, under the amendment, the definition of "political purposes" will be as wide as is necessary. Instead of the unions being restricted in the employment of their funds in a manner which, to my mind, is not right, they will be allowed to employ them in any way they choose.

Mr. BRUCE SMITH.—Not in paying Tom Mann.

Sir WILLIAM LYNE.—I do not know about Tom Mann. Personally, I do not believe in most of his social ideas, because I think that they are very extreme.

Mr. BROWN.—What about Walpole's individualistic ideas?

Sir WILLIAM LYNE.—The amendment will allow the unionists to spend their money in the way they choose. They will thus be able to support the return to Parliament of men who will give them the laws which they desire. I congratulate the Prime Minister upon the way in which he was able to turn round. After fighting against a provision of this kind, he is now accepting it.

Mr. KELLY (Wentworth).—I have risen solely to elicit one or two facts which have not yet been put before the Committee. We have before us an amendment which will allow industrial organizations to take action in seven specified and one general direction, without being thereby prevented from obtaining preference from the Arbitration Court. It is clear that all the Liberals in this Chamber, I myself amongst them, are fully seized of the advisability of giving unionists the right to endeavour to alleviate the conditions of the working classes in the manner proposed. That has been made abundantly clear by the speech of the Prime Minister, which, in my opinion, is the best which has been delivered on this proposal. Until the honorable and learned member for Indi, and the honorable member for Hume, spoke, there was no discordant note amidst the general jubilation with which the amendment was received. But the honorable member for Hume has gone further than any other honorable member who has addressed the Committee on the amendment. He has told us that, under it, the industrial organizations formed to facilitate the administration of the measure, which non-unionists will be compelled to join because of the preference clause, will be able to declare for what parliamentary candidate their members should vote, and for whose return they will devote their funds.

Sir WILLIAM LYNE.—I did not say that.

Mr. KELLY.—That was the inference which I drew from the honorable member's remarks, but if I am wrong I shall be glad to withdraw my statement. I cannot believe that that is the object of the amendment, and therefore I wish to know from the leader of the Opposition if he thinks that an industrial organization could devote its funds to these objects.

Mr. WATKINS.—Undoubtedly.

Mr. KELLY.—The next question which I should like to ask the leader of the Opposition, is this: If there are two or more political parties advocating reforms in the eight directions specified in the amendment, does he propose to leave it to the officials of the industrial organizations to say to which of them their funds shall be devoted?

Mr. CONROY.—He would have no control over the unions.

Mr. KELLY.—I do not think that he would. That is the only objection which I see to the amendment. In itself, it is most praiseworthy. But, if, for the sake of argument, every party in the political arena proposed to forward the objects stated in the amendment, the question would arise, to which of these parties should the funds of the organization be devoted, and the settlement of that question would be in the hands of one or two persons.

Mr. WEBSTER.—It would be a foregone conclusion.

Mr. KELLY.—It would be. The honorable member for once in his life is quite correct. I am convinced that the leader of the Opposition does not wish, by this amendment, to evade, in a hidden way, the provision which his own Government placed in the Bill.

Mr. WATSON.—I wish to do what I said a little while ago should be done—to give the unions an opportunity for legitimate non-party political agitation.

Mr. KELLY.—I am with the honorable member there. I ask the honorable member these questions, in order to satisfy myself on the point.

Mr. WATSON.—As the honorable member's chief is a lawyer, and I am not, I

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suggest that he should question him as to the effect of the amendment.

Mr. GROOM.—The Prime Minister has accepted the amendment.

Mr. KELLY.—Does the honorable and learned member accept without demur everything which his leaders accept? I wish to know whether there is a safeguard in the direction required.

Mr. WEBSTER (Gwydir).—I am in the exceptional position this evening of having no longer to fight for the political liberties of those whose position was endangered by this clause. It is no longer necessary to point out that honorable members who were ostensibly discussing the preference clause were really discussing the subject now before the Committee, because what they objected to chiefly was, not the manner prescribed for the determination of the majority affected by an application for preference, but that the men and women who constitute the trade unionists of this country, and who have done so much for the emancipation of their fellows, should be allowed to continue their good work. I hope that the Prime Minister will accept my congratulations on his marvellous conversion in this matter. So sudden a conversion by one holding such a high position was never before seen in the history of this, or any other country in the world.

Mr. REID.—It shows the advantage of morning sittings.

Mr. WEBSTER.—I am pleased to hear the right honorable gentleman say that. To my mind, the Prime Minister estimated the chances of carrying a motion antagonistic to the proposal now before the Committee, and discovered, on counting heads, that place and power depended on his backing down, because the common sense and justice of honorable members had been appealed to by those who know what the wants of the people are. I take no notice of the attempts of the honorable and learned member for Parkes, and his echo, the honorable member for Wentworth, to square their consciences with the acceptance of an amendment against whose principle they have been fighting for weeks and months past. Non-unionists, as well as unionists, have obtained benefits from the efforts of the latter, and I am glad that the Prime Minister has now consented to allow them to continue their good work. As a legislative enactment cannot be framed to distinguish between unionists and non-unionists, the Prime Minister is making a virtue of necessity. It is absurd to say that we are backing down because we do not differentiate in this amendment between unionists and non-unionists. All along the line the non-unionists have benefited from the sacrifices made by unionists. The honorable and learned member for Parkes, an aristocrat of the individualistic school, has changed his opinions. He cannot translate himself to this side of the House, and has had to square his views with those of his leader. I sympathize with the honorable and learned member. He certainly is not made of the material which will enable him to leave the Government side of the House and join those with whom he now professes to be in sympathy.

Mr. BRUCE SMITH. — Would honorable members opposite receive me?

Mr. WEBSTER.—Undoubtedly. Like the unions, our ranks are open to all. I regret that the honorable and learned member so far forgot his dignity as to make references to certain terms applied in the heat of the debate by some honorable members on this side to non-unionists. Those remarks were directed, not to non-unionists generally, but to those of a certain type who, like criminals, have shown themselves prepared to rob their fellow-men of that which they had acquired by their own labours. It is a slander upon the non-unionists as a class to apply to them the terms which the honorable and learned member has repeated this evening.

Mr. BRUCE SMITH.—The honorable member is now referring to them as criminals.

Mr. WEBSTER. — My remarks refer only to a certain type of non-unionists. There are good and bad in all sections of the community. Among the members of the profession to which the honorable and learned member belongs there are to be found some of the greatest scabs and blacklegs that ever existed. Whilst we are much indebted to the honorable members who have evolved this amendment, since it will have the effect of rendering the Bill less objectionable, we are also entitled to congratulate ourselves upon the light which the action of the Government throws upon the circumstances which led to the removal of the late Government from office. It is now evident that the motion upon which the late Government were ejected from office was a mere make-believe and a sham, and I desire nothing better than the opportunity that will be afforded to me a little later on to explain

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the whole position to the people of the country. The amendment is not all that I could desire, but I recognise that compromise is a leading principle of politics, and that, so long as we do not sacrifice principles, we are sometimes justified in making concessions to the views of others. Whilst, however, the clause relating to preference remains in the Bill in its present form, even this concession will not satisfy the unions. I shall vote for the amendment, inasmuch as it affords the best way out of a somewhat difficult position, and reserve to myself the right to exercise my vote at a later stage in the manner that I think necessary to conserve the best interests of those I represent.

Mr. HUGHES (West Sydney).—A marvellous change, the full purport of which I am not yet able to appreciate, has come over the spirit of our dream, and our actualities in the House, since I went to tea. Apparently it is a good thing to go to tea. When I left the Chamber a question had been raised by the Minister of Defence as to whether the amendment was in order. Upon my return I find that the point of order has disappeared, and that the Prime Minister has accepted the amendment. I think that that is good work for two short hours. All around me there is a chorus of congratulations upon the amazing readiness of the Prime Minister to adapt himself to his changing environment, which the honorable and learned member for Parkes, who is a great Spencerian, would tell us is one of the marks of fitness to survive. That organism which can adapt itself to an ever-changing environment is the best fitted to survive in this best of all possible worlds.

Mr. BRUCE SMITH.—The honorable and learned member looks pleased.

Mr. HUGHES.—It is impossible not to look pleased when I find that among the faces around me not one is awry. I think, however, that it is not so much the prospect of passing the amendment, as the hope of reaching home for Christmas, that is casting a beautiful halo over everything. Although I may look pleased, I am yet in some doubt as to whether this amendment will accomplish all that is claimed for it. When one considers the readiness with which honorable members who have never shown any leaning in our direction have adopted the amendment, and the amazing unanimity with which they are now smiling a cheerful acquiescence, such a doubt is excusable.

Mr. BRUCE SMITH.—The honorable and learned member is a little suspicious.

Mr. HUGHES.—And I think I have reason to be. I should like to ask those smiling gentlemen opposite in what way the unions can do all these things which are set forth in the details of the amendment. Would it be competent for a union to contribute towards the expenses of a candidate who pledged himself to support proposals in the directions indicated?

Mr. BRUCE SMITH.—Not if he indorsed other proposals as well.

Mr. HUGHES.—Then, are we to understand that the powers of the unions under this amendment are to be limited to political action only in cases where a candidate advocates only these matters set forth in the amendment? What appears to me to be obvious is, as the honorable member for Gwydir said, that we already enjoy the rights which it is proposed with this flourish of trumpets to confer upon us. Every union has the right to agitate for the improvement of the conditions of employment, and, so far as I know, has always claimed the right to exercise it. The method which they generally adopt is to send out a circular letter, or to ask a candidate, either publicly or privately, whether he is in favour of such and such a thing which the union desires to see brought about. If the candidate is favorable to the views of the union, and he is the only one among those who represent themselves who leans in that direction, it would appear to be the obvious and undeniable duty of the union to support that man.

Mr. KELLY.—If two candidates favoured the view taken by the union which would it support?

Mr. HUGHES.—I am coming to that. We are all agreed as to the course that should be adopted in the case of only one candidate being favorable to the aspirations of the union.

Mr. BRUCE SMITH.—Unfortunately, we are not the Court.

Mr. HUGHES.—Even although honorable members may not be members of the Court, I should like to know their opinions as to the effect of this amendment. I think we have every right to know exactly how far it is intended that the amendment shall go. If there be only one candidate in favour of a particular proposal, everything will be clear; but if there be two or more entertaining the same views, I desire to know what will be the position of the union. Is it to say, "Now, here are two candidates, and they are both in favour of bringing

about certain results which we desire, but you are to vote for Jones, and not for Smith." Are they to say, "You are to vote either for Jones or Smith," or "We know Jones only too well, and as Smith is in favour of our principles, you should vote for him." What would be the position if some member of the union then moved that £10 be devoted towards defraying Smith's election expenses. Could that be done under the amendment?

Mr. GLYNN.—It might possibly have been done even without the amendment.

Mr. HUGHES.—Clause 55 is very emphatic. The proviso to that clause reads—

Provided no such organization shall be entitled to any declaration of preference when, and so long as, its rules or other binding decisions permit of the application of its funds to political purposes.

I take it that the amendment of the leader of the Opposition does not deprive the words which I have just read of the limitation which they impose upon the clause. When a proviso limits the effect of a clause, and, later on, some powers are, by exception, taken from the proviso, all the matters which are not specifically mentioned in the exception are still forbidden by it. That is the rule generally applied to the interpretation of a statute. Consequently, it would seem that as the expenditure of funds under this provision for certain purposes is forbidden, and as in the exception to the proviso—which is what the amendment of the honorable member for Bland practically amounts to—power is not given to expend funds in that direction, funds may not be so expended. Therefore the rights of unions are limited, so far as their action in this particular direction is concerned.

Mr. BRUCE SMITH.—That is what I contended.

Mr. HUGHES.—No doubt. It appears to me clear that the effect of the amendment of the honorable member for Bland is to confer upon them the power to do certain things. But it does not provide them with the means with which to do them. And if what I have said be true regarding the words dealing with the application of funds, it is also true regarding the other part of the proviso which refers to organizations of a political character. In the amendment, "political character" is defined as not including certain matters. But as those in themselves are of no value if the method by which alone they are to be obtained is barred, I have serious doubts whether the amendment means anything at all. Nobody can predict how far the Arbitration Court will say that it extends. We must be glad that we live in a time when fixity of principles is no longer regarded as the mark of a great man, and when that politician is considered the nearest approach to a statesman who can, within half-an-hour, make such a *volte face* as we have seen to-night, and find himself supported by the whole of that gallant, but rather discordant dishevelled phalanx which sits behind him.

Mr. GLYNN (Angas).—I am very glad that the Government have accepted the amendment. From the beginning, I failed to see any objection to allowing trade unions to agitate politically for a direct amelioration of the conditions surrounding the employment of their members. I did object, however, to compelling men to subscribe to funds which were devoted to that purpose. However beneficent the object may be, I hold that men ought not to be obliged to subscribe to it. I regret that the Committee did not accept the amendment which I submitted upon a previous occasion. Personally, I am of opinion that it is a great mistake to endeavour to ban expressions of opinion of any character. I assure the honorable and learned member for Indi that there has been no change, at all events, in my attitude upon this question.

Mr. HIGGINS.—The honorable and learned member would increase the list of subjects contained in the amendment?

Mr. GLYNN.—I do not think that the clause is as clear as it ought to be. In clause 62 we define "political purposes," but we do not define "political character."

Mr. GROOM. — "Political character" would probably be defined by the Court.

Mr. GLYNN.—It is always dangerous to leave the definition of words to a Court.

Mr. HIGGINS.—The honorable and learned member would not mind increasing the number of subjects to which organizations may apply their funds?

Mr. GLYNN.—I have not the slightest objection to doing so. The Bill actually indorses agitation to a certain extent. If honorable members will look at the definition clause, they will find that "association" is there defined as "an organization composed of representatives of employers or employés, or for further protecting the interests of employers and employés." These organizations are allowed to be registered. Seeing that we allow them to be registered as part of the machinery of the Bill.

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I claim that by inference we indorse the objects of trade unions. If we do that indirectly, why not directly? Why not allow members of organizations to agitate directly? The Bill impliedly recognises the right of members of trade unions to agitate politically for the direct amelioration of their conditions? I cannot see any logic in saying that whilst we approve of the right to agitate by allowing unions to become organizations, we shall not permit them to agitate directly. What we really should do is to define "political purposes" to mean "industrial matters." The latter term includes all matters relating to work, pay, hours, privileges, &c. It covers almost all the conditions which enter into the relations of employer and employé.

Mr. BRUCE SMITH.—"Industrial" connects employer and employé, and "political" may not do so.

Mr. GLYNN.—I cannot say whether that is so.

Mr. BRUCE SMITH.—An organization under this Bill cannot pay Tom Mann to advocate the nationalization of industry.

Mr. GLYNN.—Could not Tom Mann stand upon a platform and advocate the absorption of certain industries upon the ground that such a step would lead to the better remuneration of labour? I do not object to the amendment, but I do object to forcing men by means of a preference to subscribe, whether they like it or not, to trade unions. Upon the whole, I welcome the amendment as a concession in principle to the desire of some honorable members, that unionists should be allowed as hitherto to agitate for a change in the conditions of labour in the direction contemplated by the appointment of an Arbitration Board.

Mr. HUTCHISON (Hindmarsh).—To-morrow morning the people of Australia will be rather dumfounded when they read the utterances of the honorable and learned member for Parkes. I am pleased that in him we have a convert who has informed us to-night for the first time that he is in favour of everything which is contained in this amendment. I hold in my hand a little work upon *Liberty and Liberalism*, the author of which is Mr. Bruce Smith, who is none other than the honorable and learned member himself. If honorable members will take the trouble to peruse that interesting work they will be astounded at the change of front which we have witnessed to-night. Upon page 358 of that publication I find the following:—

I turn now to the subject of legislation for the registration of factories, of which a startling example already exists in the Colony of Victoria; having been placed upon the statute-book within the last two years. The provisions of that Act have been conveniently summarized by one of the leading local manufacturing firms for the ready comprehension of their employees. The following is that summary:—"No one under thirteen can be employed in a factory. No female can work more than forty-eight hours in a week. No male under sixteen can work more than forty-eight hours in a week. No girl under sixteen can be employed between the hours of six in the evening and six in the morning."

Mr. BRUCE SMITH.—Do not paraphrase it. Read the book.

Mr. HUTCHISON.—I should then have to read an extract far longer than the honorable member's longest speech, and I do not propose to inflict such suffering upon the Committee.

The CHAIRMAN.—Does the honorable member propose to connect this quotation with the amendment?

Mr. HUTCHISON.—Yes. I am showing my delight at the change in the opinions of the honorable and learned member for Parkes.

The CHAIRMAN. — The honorable member under that contention might deal with almost any subject.

Mr. HUTCHISON.—I shall not deal with any subject which is not relevant to the amendment. I would remind you, sir, that the amendment relates to such matters as the preservation of life and limb, compensation for injuries or death, sanitation, the sex and age of employés, the hours of labour, the remuneration of labour, the protection of salaries and wages, and other conditions similarly affecting employment. The quotation which I have read from the book written by the honorable member for Parkes is certainly relevant to such questions as hours of labour, sanitation, and the age and sex of employés; but I do not propose to make any further extracts from it. The honorable member also issued a paper relating to strikes.

Mr. BRUCE SMITH.—I have it here.

Mr. HUTCHISON.—In that paper he said that the workers were quite right in combining to fight their battles as long as we did not interfere by legislative effort.

Mr. BRUCE SMITH.—I objected to picketing.

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Mr. HUTCHISON.—I am glad to find that the honorable member now sees the error of these carefully considered words.

Mr. King O'Malley.—Surely the honorable member does not object to an eleventh hour conversion.

Mr. HUTCHISON.—No; but the honorable and learned member for Parkes goes much further. In this book he stated that he was opposed to the very principle which he has accepted to-night, because it would prevent the manufacturers from obtaining cheap labour. I am pleased to learn that he now thinks it undesirable that children under thirteen years of age should be allowed to work in our factories. But why this change of front? When the people of Australia learn to-morrow what has happened in regard to this measure, I think it is well that they should also learn who they have to thank for it. It has not been due to the generosity of the Government. Throughout the afternoon the Ministry have been doing all in their power to prevent this amendment being considered by the Committee.

The CHAIRMAN.—I am afraid that the honorable member is now about to do unwittingly something that he would not willingly do. The question which was considered this afternoon had absolutely nothing to do with the merits of the amendment, and I shall ask the honorable member to refrain from making any statement which might reflect on honorable members who supported the point of order relating, not to the merits of the case, but to a purely technical question.

Mr. HUTCHISON.—I am not in the habit of exceeding the bounds of legitimate debate, or of reflecting on honorable members, but I wish to show what led up to the acceptance of the amendment by the Government. It is my duty to let my constituents know to whom they are indebted for this proposal. They are indebted, not to the Government and honorable members opposite, but to the Opposition, supported by three honorable members, who let it be clearly understood that unless the amendment were carried the Government would not remain much longer in office. I am delighted at the change of front which has taken place on the part of honorable members opposite; but they will have some difficulty in explaining their position to members of the Employers' Council, and still greater difficulty in explaining their action to those non-unionists for whose interests they recently p[illegible] much anxiety.

Mr. Lonsdale.—We have no more to do with the Employers' Council than have the Opposition.

Mr. Conroy. — The honorable and learned member for West Sydney admitted that the amendment was a limitation.

Mr. HUTCHISON.—Both the Government and the Opposition are satisfied

Mr. Johnson.—Then why such an exhibition of annoyance on the part of the honorable member?

Mr. HUTCHISON. — The honorable member certainly does not relish the position. He is afraid that he will be called upon for an explanation. Honorable members opposite will not be able to claim any credit for the passing of this amendment, and they will have the greatest difficulty in explaining why they suddenly decided to accept a proposal against which they have really been fighting for years. I am not enamoured of the Bill. Unfortunately, even if the amendment be carried, it will not assist us to ward off one of the greatest disasters that has ever overtaken the Commonwealth. I have good grounds for fearing that within the next six months Australia will be in the throes of an industrial dispute compared with which the last maritime strike will sink into insignificance. Unfortunately, we have done nothing to avert the threatened disaster. Although the Government have agreed to accept the amendment, I am far from satisfied with what is being done. If honorable members opposite think they have made too great a concession to the Opposition, I invite them to join with me when the resolutions are reported, in voting against the adoption of the report. This measure will not do very much for the great mass of the workers of Australia. I know that honorable members opposite are under the impression that they have made a great concession to the Opposition. But in what way have they done so? I agree with the honorable and learned member for Werriwa that this amendment is a limitation, but it is not such a limitation as he would like to impose on the actions of unionists.

Mr. Conroy.—I should not place any limitation upon their operations. I should not legislate in regard to unions.

Mr. HUTCHISON.—The Government and their supporters find that they cannot deprive us of the whole of what we ask without running the risk of losing their position, and they simply say, "We give you what you ask." I am sorry that the leader of the Opposition has not asked for a good deal

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more, but as a matter of fact, we have never demanded anything to which we were not entitled. At the present time unions are not taking any political action to which exception could be taken by any Court.

Mr. BRUCE SMITH.—They are using their funds to support Tom Mann.

Mr. HUTCHISON.—They are using them for the very purposes which the honorable member says are legitimate, and should be encouraged. I am very glad that he has changed his opinions since writing the book to which I have referred.

Mr. BRUCE SMITH.—The honorable member, unless he is careful, will be advertising that work.

Mr. HUTCHISON.—That is what I desire to do. An honorable member who reads the views put forward in this book will immediately join the Labour Party. I hope that the honorable member for Parkes will continue to show improvement in this direction. I shall not further detain the Committee. I have not spoken at any length, and rarely do so, but I wish the people of Australia to know that they are indebted more particularly to three honorable members of this House, and to the Opposition generally, for the fact that the Bill will be a more liberal measure than that which only a few hours ago was likely to be thrust upon them.

Mr. KENNEDY (Moira).—It is pleasing to realize that after the great conflict of opinion which has occurred during our consideration of this measure, harmony once more prevails. Now that our little differences have been settled, why should there be any exhibition of annoyance on the part of the Opposition? Is there some feeling of disappointment? Do they consider that they have obtained something which was not worth asking for, or is their annoyance due to their realization of the fact that by the action of the Government, in accepting the amendment, they have gained nothing more than that which was already in the Bill? So far as I am able to understand the situation, the definition of the term "political purposes," which is contained in this proviso, is already covered by the interpretation clause, which defines the meaning of "industrial matters."

Mr. HIGGINS.—But many "industrial matters" mean "political matters," and many "political matters" do not mean "industrial matters."

Mr. KENNEDY.—The definition of "industrial matters," which appears in clause 4, is as follows:—

"Industrial matters" includes all matters relating to work, pay, wages, reward, hours, privileges, rights, or duties of employers or employees, or the mode, terms, and conditions of employment or non-employment.

Mr. HIGGINS.—But the Bill, as sent to another place, prohibited the application of the funds of an organization to industrial matters, if they were of a political character.

Mr. KENNEDY.—There is nothing in the Bill which prohibits the application of the funds of a union to industrial matters.

Mr. HIGGINS.—As the clause was originally passed by us, it would have prohibited the application of the funds of a union to industrial matters that were of a political character.

Mr. KENNEDY.—Those who have sought to place upon honorable members on this side the stigma of having desired to prevent workers in any industry from utilizing their funds for industrial purposes, have been seeking to show something that is not in accordance with facts. My desire from the first has always been to see that the funds collected by unions for the purposes of this measure shall not be devoted to other objects. I object to the funds of an organization being utilized for political purposes, contrary to the will of those who have been compelled to join it in order to obtain a livelihood.

Mr. HIGGINS.—But without this amendment the Bill would not carry out the honorable member's intentions.

Mr. KENNEDY.—An honest effort was made by us to provide that the funds of unions should not be used for political purposes, but it may be that our intention was not clearly defined. I am amongst those who have been prepared from the first to go as far as possible in that direction. What I desired was to prevent the utilization of the funds of a union in the way disclosed in the case of the Australian Workers' Union. It cannot be fairly said that the Government, or the honorable members supporting them, have attempted, by voice or vote, to prevent the workers of Australia from using their influence and such funds as they can command, to improve their position; but we object to their using such funds to deprive their fellow workers, who cannot see eye to eye with them on ques-

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tions of party politics, of the means of gaining a livelihood. I am glad that we are coming to a better understanding of the position. There has been, not so much a difference of opinion between the Opposition and those on this side of the Chamber as a misunderstanding. I cannot, however, see why there should be a feeling of distrust in the minds of honorable members opposite now that the Government have accepted the amendment of the leader of the Opposition. Although that amendment may put the position more clearly, it does not go any further than the provisions already in the Bill. There is not a single paragraph in it which is not, in my opinion, covered by the interpretation of "industrial matters." The honorable member for Hindmarsh says that they are not indebted to honorable members on this side of the Chamber for any concession. I do not quarrel with him for that statement, but he might extend a little consideration to honorable members on this side.

Mr. HUTCHISON.—They did not extend any to us until they could not avoid doing so.

Mr. KENNEDY.—I have yet to learn that all the sweet reasonableness of the race exists among honorable members of the Opposition. As the honorable member has spoken of the possibilities of industrial strife, I wish to express the opinion that those who profess to do so much for the benefit of the workers should make themselves conversant with the industrial conditions which are now confronting our people. They should consider whether the workers are able to live up to the doctrines preached by their leaders. If they think that by working six hours a day for five days a week they can produce as much material wealth as is produced in other countries by people who work ten hours a day, I hope that their ideas will be realized, though I fear that they are mistaken. Those who preach these doctrines forget that the workers of Australia have to obtain a livelihood in competition with the workers of the world. The difficulty is not so much a question of wages as a question of obtaining work. Unless there is work to be done, this Bill, good as its objects may be, will not confer upon the workers the benefits which they expect to receive from it.

Mr. KING O'MALLEY (Darwin).—I do not see now what we have to fight for. It seems to me that the war is over, and that we can lay aside our Winchester rifles and cannon. We can rejoice that we have brought conviction to the Government, that they have seen the error of their ways, and have repented. The sinner who has repented is received, even at the eleventh hour, with as great a welcome as the sinner who repents in the first hour. While the lamp continues to burn, the vilest sinner may return. Now that the Government have repented, we should be prepared to give them absolution. I am sorry that the honorable member for Hindmarsh has abused them. He should rather have praised them for keeping a mind open to the preaching and teaching of the Opposition. I was afraid that this show would have been burst up at Christmas time before we had done anything. The honorable and learned member for Parkes had a great deal to say about the action of members of the party to which I belong in calling non-unionists scabs.

Mr. BRUCE SMITH.—I merely said that those words had been flung across the chamber.

Mr. KING O'MALLEY.—The honorable and learned member is labouring under a stupendous multiplicity of hallucinations. The men whom we call "scabs," "black-legs," and "red herring, black-hearted roosters," are those who leap into the breach whenever there is a strike, and rob of their bread and butter unionists who are fighting for some great industrial principle. In America, the immoral beef trust has forced up the price of meat so high that thousands of poor persons have to live without meat; but, notwithstanding this increase in price, the butchers of Chicago recently reduced killing wages, with the result that their men went out on strike, and their places were filled by others to whom we apply the terms "scabs," "black-legs," or any other name which would give expression to our eternal contempt for them. It must not be forgotten, however, that thousands of non-unionists vote for members of the Labour Party. In my division there are only 1,000 unionists, and yet I polled on the last occasion between 4,000 and 5,000 votes. Where should I have been if it had not been for the non-unionists? I do not get in by the votes of a minority, and whenever I am returned to Parliament it may be known that the country I come from has been pretty well stirred. I think that, now the amendment of the leader of the Opposition has been accepted, we should place the Bill on the Statute-book. It will be two years yet before Parliament dissolves.

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Mr. Robinson.—The honorable member need not believe that.

Mr. KING O'MALLEY. — Those who speak of an early dissolution may have common-sense, but they are destitute of uncommon-sense. Let us put the measure on the statute-book, and then, if it does not work, we can remedy our mistakes by means of an amending Bill which will do what is required. I do not wish it to be thought that I am satisfied with the present Bill, because I am not. But I am willing to give it a trial. We should prove all things, and cling to those which are good. We on this side are the friends of labour. No doubt honorable members opposite are also the friends of labour. We, however, are the friends of organized labour. While many honorable members opposite exalt industries, we as a party exalt labour. Labour owes nothing to civilization, but civilization owes everything to labour.

Mr. EWING (Richmond).—I shall not detain honorable members very long, and desire merely to echo the idea underlying the remarks of the honorable member for Moira when he said that we had been misunderstood. The words of the song, "Not understood," must often have occurred to you, Mr. Chairman, during this debate. I shall not repeat them now, for two reasons —first, because to do so would lengthen your onerous task, and you would probably rule me out of order; and, secondly, because I do not know them. We on this side of the chamber were fighting for the great democratic principle of majority rule, and we now discover that honorable members opposite, when that principle, upon which they were elected, conflicts with the principle of preference to minorities, are ready to give way to it. There has been a misunderstanding, but now we are all in agreement, though we discovered the fact but an hour or two ago. The supporters of the Government desire that the unions registered under the Bill shall be primarily industrial, not political, and shall be used to ameliorate the conditions of the people and improve the lot, not of a small section, but of the great body of the community. We have discovered now that we are in agreement with honorable members opposite on that subject too. They also now believe that the benefits of the measure should be given to the whole of the people, and not to a limited section of the community, so that there has been another misunderstanding in that case. I should not have risen to speak had not one or two honorable members appeared to be astonished at the action of the Prime Minister in accepting this new-born baby around which we are all clustering, full of hope and satisfaction. When the leader of the Opposition offered it to him, he would have been justified in remembering that it is dangerous to trust the Greeks, even when they come bearing gifts; but he did not show any distrust, nor make any Cassandra-like cry. He paused for a moment or two to see whether the baby was in order, and, having discovered that it had none of the ailments to which children are frequently subject, that it had not the thrush or appendicitis, although the investigation may have disclosed a Semitic origin, he received it into the bosom of the party. I make these remarks to show how unreasonable some honorable members are. The head of the Government did no more than any person would have done in social life. He merely saw that the child was reasonably satisfactory before receiving it into the home circle. It is a matter for regret that during these debates honorable members have not shown a little more consideration for one another. Now that honorable members opposite realize that we are prepared to go as far as we can in the direction of real reform, they should withdraw some of the undesirable but characteristic statements which they have made, with the object of prejudicing us. We felt all through that the progress of the country depended, not upon any class or sect, nor upon our legislating in favour of minorities, but upon our passing laws in the interests of the whole of the people. We know how our forefathers had to fight against the privileged classes, and yet in the twentieth century we have been asked to set up another privileged class, which desires to govern the masses of the community. Our refusal to do this has been the cause of difference in regard to the matter now under consideration. Now that the golden gates have been opened, through which every man can march unmolested to his labour, and without being compelled to belong to any organization created to advance the interests of any small section, harmony should prevail, and it might be acknowledged that each side of the House has been misunderstood by the other.

Mr. McDONALD (Kennedy).—It is as well that I should make my position perfectly clear in regard to the amendment.

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Whilst I accept it as the lesser of the two evils between which I have to choose at present, I shall at a later stage vote against it. I represent organizations which have been built up at infinite trouble. Many of the men connected with these organizations have spent years in gaol because they have stood up for their industrial and political rights, and I do not feel prepared at this stage to accept anything but the full measure of political liberty which has been gained at such great cost. Some years ago we were told distinctly that the only effective way in which we could redress our grievances as unionists would be by securing political power. The Judges advised us from the bench to seek our remedy through the Legislatures. Now that we have made our organizations so strong that we have compelled our political opponents to swallow the principles of a lifetime, an attempt is being made to deprive us of some of our most valued privileges. In Australia, and in other parts of the world, the two antagonistic forces of labour and capital are struggling with all their might to obtain the upper hand, and we cannot afford to consent to any legislation which will have the effect of rendering our organizations less powerful or effective than they are to-day. Our principal means of achieving our ends is political action, and I object to limitations such as those which would be imposed under the amendment. There are many matters upon which the trade unions should be free to take action other than those which would be embraced by the provisions of the amendment. Whilst I admit that the amendment will to some extent minimize the injustice which would have been done to unionists, it will still involve a large surrender of their powers. I was very pleased to hear the statement of the honorable and learned member for Ballarat that the trade unions will not be affected unless they register themselves as organizations for the purposes of the Bill. If that be so, the measure will not interfere with our organizations, because they will refuse to come under its operation. The Bill was introduced in this Chamber, in the first instance, for the purpose of tiding over an industrial difficulty, but it has now assumed such a shape that it will prove a curse, because it will deprive the organizations which avail themselves of its machinery of their liberty of political action. They will have no power to combat the operations of the large trusts and combines which are now operating to the serious prejudice of the workers, and which, in other countries, are grinding them down to the depths of slavery, and I cannot, therefore, place the stamp of my approval upon any such legislation.

Mr. KNOX (Kooyong).—The proceedings in this Committee this evening have been of a memorable character. We have had expressions of goodwill from both sides of the House, which, coupled with the enthusiastic acceptance of the amendment proposed by the leader of the Opposition, mark a distinct stage in our history.

Mr. JOSEPH COOK.—Hear, hear; the great reconciliation.

Mr. KNOX.—I hope that it may prove to be a reconciliation, attended with great benefit to the community. Honorable members who have listened to the debates during the last nine months, must, in view of what has taken place at this sitting, ask themselves what all the fighting has been about. The reports of our debates extend over 8,000 pages of *Hansard*, the greater number of which are occupied by the records of the proceedings in connexion with this Bill; whereas within two or three hours to-day this most important question has been summarily settled.

Mr. REID.—The honorable member does not suppose that we have fought for nine months over the question of giving men rights which they already possess?

Mr. KNOX.—I am endeavouring to discover what we have been fighting about.

Mr. REID.—We were fighting against proposals to make distinctions in favour of one man against another.

Mr. KNOX.—Honorable members opposite have endeavoured to persuade the public that they alone represented the interests of the workers, but it must be clear that honorable members on this side of the Chamber had only one object in view, namely, to secure justice and equality for all classes of the community. Honorable members opposite started with a determination to secure unlimited preference to unionists. If that demand had been conceded, the unions would have become an immense political power, and the Bill would have been used as an instrument for capturing the whole legislative forces of the Commonwealth. Having been defeated upon that point, honorable members shifted their ground, and desired to secure unqualified political power for the organizations registered under the Bill. In my printed address to

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the electors at the last election, I indicated that I yielded to no man in my desire to see justice done to the workers, and I stated that I would support every legislative measure designed to raise them and improve their condition. I do not find in the amendment any departure from the lines which I laid down for myself on that occasion. As far as the paragraphs contained in the amendment are concerned, I am in entire sympathy with them.

Mr. MAUGER.—The honorable member has merely been misunderstood.

Mr. KNOX.—That is impossible, because there has been no change in my attitude. I claim that I have always exhibited a desire to advance the interests of that portion of the community which enjoys less privileges than do the minority; but I shall always resist any attempt to coerce any section of the people. To-night it has been demonstrated that this Bill has practically been a stalking horse for party considerations. To-night we have found a solution of the difficulty which confronted us, and we have discovered that from a humane stand-point there was practically nothing separating the rival parties in this Chamber; but I consider that the Opposition have secured a concession in principle upon which they are perfectly justified in congratulating themselves.

Mr. MALONEY (Melbourne).—I welcome the action of the Government in accepting the amendment of the leader of the Opposition. I do not regard their action altogether in the light of a victory for honorable members upon this side of the Chamber. I consider it is rather a triumph of the democratic principles which permeate this House. It is idle to deny that there is a good deal of democracy upon the Treasury benches. At the same time I shall fight to obtain a change in certain amendments which have been effected by this Committee. I am not content with the Bill, but I believe in the principle of accepting a bun if you cannot obtain a whole loaf, and I am prepared to trust the other Chamber to alter its defects. I welcome the amendment before us, and I trust that when the measure has been disposed of, we shall devote ourselves to legislation for the welfare of the Commonwealth.

Mr. ROBINSON (Wannon).—When this Bill was being discussed in another place, I felt that a great deal of weight attached to the considerations urged by some honorable senators there, and that the word "political" ought to be defined to prevent a prohibition being imposed upon the discussion of industrial matters. Accordingly I was sorry that a more earnest attempt was not made to give a better definition to that term. I do not object to trade unions in any shape or form. The attitude which I have consistently adopted is that I object to any body of men being coerced into joining those unions which have political objects. I know that the honorable member for Kennedy is of opinion that we have destroyed the usefulness of the measure, and I understand that it is his intention to vote against the adoption of the report. What makes the Bill obnoxious to him, to a large extent commends it to me. I think that the Government have done right in accepting the amendment. It practically involved giving away nothing, because I am of opinion that the contention of the honorable and learned member for Angas is correct, and that under the interpretation clause, trade unions could have agitated upon the matters referred to in the amendment without being interfered with by the Arbitration Court upon the ground that they were spending their money for political purposes. I think that that is a sound position to take up; but, as it might lead to litigation hereafter, it is wise to place in this clause a distinct statement of what are to be considered political matters. I am glad that the honorable member for Kennedy entertains the belief that the "fangs"—so to speak—of the Bill have now been drawn.

Amendment agreed to.

Motion, as amended, agreed to.

Reported that the Committee had disagreed to three of the amendments of the Senate, and had agreed to the fourth with an amendment.

Motion (by Mr. REID) proposed—

> That the report be now adopted, and that Mr. McLean, Mr. McCay, and the mover be appointed a Committee to prepare reasons for disagreeing with the Senate's amendments.

Mr. WATSON (Bland).—Whilst the prohibition imposed upon the right of unions to take part in politics has been agreed to in a form which meets the objections that I entertained upon that score, I must say that, in the absence of any proper provision for granting a preference, free from restrictions which, in my judgment, will render it impossible for those organizations to comply

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with the procedure laid down in the clause, I feel that this Bill will not accomplish the results which we all hope for. Believing that the whole effectiveness of the measure will be impaired by this provision, it is impossible for me to take the responsibility of recommending it to the electors. I am of opinion that it will be absolutely ineffective, owing to the restrictions imposed upon the granting of preference. I am fully convinced that with those restrictions it cannot achieve the object for which it was originally put forward, and consequently I cannot recommend anybody outside of this House to place any faith in it. At the same time I do not feel inclined to object to the adoption of the report,. because the Senate has yet to consider the Bill in the form in which it is returned by this Chamber, and it is just possible that it may hit upon some method of regulating the granting of a preference which will meet the objections of honorable members opposite. In that hope I am quite prepared to agree to the adoption of the report.

Mr. REID.—The view I take of this matter is that for those who desire a Bill of this sort at all, it would be a great advantage to have on the Statute-book the foundation for a system of arbitration. If, as the result of an appeal to the electors, it transpired that we were wrong, and that the Opposition was right in the position taken up by us with respect to the three or four serious matters on which we differ, it would be infinitely more easy for my honorable friends—provided they commanded the support of a majority of the electors—to give effect to the views they have at heart by amending a measure which was already in operation than it would be for them to undertake the terrible responsibility of building up the whole measure and passing it through the two Houses of Parliament. If the fabric of the principle of arbitration were placed on the Statute-book it would make the path of my honorable friends towards their goal much easier than it would otherwise be. I most earnestly commend that view to the serious consideration of the Opposition. It is admitted that nineteen-twentieths of the provisions of the Bill have been accepted by both Houses, and that there are only one or two points—I admit that they are most important matters of principle—at issue between us. If a majority of the electors approved of the stand taken by the members of the Opposition it would be far easier for them, on coming into power, to be able to introduce a short amending Bill, whose provisions need not occupy twenty lines, to give effect to their views, than it would be for them to go over the whole work again. I earnestly submit that view to the consideration of the Opposition.

Mr. SPENCE (Darling).—This will probably be the last opportunity that honorable members will have to express their opinion with regard to this measure, and I think it is desirable to make my position clear. I totally disagree with the suggestion of the Prime Minister, that this Bill would lay the foundation of a whole system of arbitration, and I very much regret that in passing this legislation we are about to set a very bad example to the States Parliaments. This Parliament has been elected upon the broadest possible franchise, and as it has been elected by a democratic people, its legislation ought certainly to be democratic. Nevertheless it has imposed restrictions upon the self-government of industrial organizations that are not to be found in any of the State legislation on the subject. These restrictions, to my mind, must retard the whole movement of trade unionism. Every one must admire the heroic struggle which trade unions have made to secure better conditions for the workers.

Mr. SPEAKER.—Does the honorable member think that that has anything to do with the question before the Chair?

Mr. SPENCE.—I am afraid that I am not clear as to the limits of this debate, but I am endeavouring to follow the lines adopted by the Prime Minister. In spite of the fact that the Government accepted the last amendment proposed by the leader of the Opposition, I consider that the Bill is unsatisfactory. We have invited the State Legislatures, which will have to deal with this question, including the Parliament of New South Wales, which will shortly be called upon to consider the desirableness of re-enacting the State Conciliation and Arbitration Act, to interfere with the most important of all principles—the right of trade unions to seek to improve by constitutional means our social and political life. To my mind, this Bill will interfere with the free exercise of the franchise. Honorable members are unanimously of the opinion that trade unions have a legitimate right to seek to improve the conditions of the working classes, and yet many honorable members

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who profess to hold this view would restrict their operations in that direction. I deny that there is any attempt to coerce men to join unions, or that labour members seek to control such bodies. The idea is absurd.

Mr. REID.—Is this relevant to the question?

Mr. SPEAKER.—I am afraid that the honorable member is going beyond the matter before the Chair. The question before us is whether the report of the Committee shall be agreed to. That report covers the decisions of the Committee on the four amendments which came to us from another place. Any discussion which bears upon either one of those amendments, or the whole of them, would be in order; but any debate on the general aspect of the measure will not be in order.

Mr. SPENCE.—I think that the field of discussion is wide enough to allow me to clearly explain my position. I have not spoken since certain amendments have been under consideration, and I do not wish it to be understood that my silence means approval of the decision of the Committee. I have, from the very outset, taken a great interest in this measure, and I wish to clearly define my attitude. An effort has been made in the most unfair way to interfere with the operations of trade unions, and I hold that as the result of the passing of this measure, the work of these admittedly noble institutions will be hampered. I am opposed to the restrictions which have been imposed. Trade unions have always done their very best for all persons engaged in the industries which they represent. Hence I say that the limitations which have been imposed will retard the whole movement for the betterment of the conditions of the workers. The measure will not be found satisfactory, and I throw upon the Government the whole responsibility for it. It is true that they have not been in charge of the Bill from the outset; but the Government in office, when it is finally passed, must bear the whole responsibility, because they need not have taken it up in the condition in which they found it. I refuse to accept the responsibility of being a party to the adoption of certain of these clauses. I accepted one amendment because it was the best we could get; but I feel satisfied that the measure, as a whole, will be unsatisfactory, and I wish to enter an emphatic protest against it.

Mr. McDONALD (Kennedy).—Before the vote is taken, I wish to say that I shall vote against the adoption of the report, because I believe that it relates to certain clauses which will destroy the effectiveness of the Bill. I believe that unionists in coming under this measure, will be making a great sacrifice in the interests of industrial peace, and that they will not receive anything like the return which they are entitled to expect. They are entitled to receive full preference in compensation for the sacrifices they are making, and it was the general idea of the framers of the Bill that that should be extended to them. The refusal of the Committee to grant it, is one reason why I shall vote against the adoption of the report. I shall vote against it because I am also opposed to class legislation of the kind of which a majority of the Committee has approved in trying to exempt certain sections of the community, namely, the agricultural labourers and the domestic servants, whose present position is little better than slavery, from the operation of the measure. I am also opposed to it because it attempts to take from organizations the right which they have enjoyed for many years past to use political influence for the redress of grievances. The workers have been continually urged to take that course, but the Bill practically prevents them from doing so. Having stated the reasons why I cannot support the measure, I shall content myself with voting against it.

Mr. KELLY (Wentworth).—As one who at the last elections opposed the measure, I feel that I owe it to my constituents, as well as to the House, to explain my reasons for the course which I now propose to pursue. I do not intend to state now the reasons which actuated me in opposing the Bill, because I set them out fully in my second-reading speech. Some of those reasons have disappeared, because of the amendments which have been made in the measure. It has, however, been borne in upon me during the ten months that we have been in session, in which period we have been engaged chiefly on this measure, that there is a very strong majority in this Chamber and in the country who desire to have the Bill passed into law, and I can see that if I were to exhibit the spirit of factious opposition which has been displayed by honorable members opposite, I should not be advancing the cause of my constituents.

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Mr. SPEAKER.—The honorable member is now discussing the Bill, whereas the question before the Chair is the adoption of the Committee's report.

Mr. KELLY.—In that case I shall reserve my remarks until another occasion.

Mr. WEBSTER (Gwydir).—I wish to say a word or two in justification of the vote which I intend to give on this matter. I have already shown pretty plainly that I cannot vote for a Bill which takes from the unionists rights and privileges which have been given to them by State laws. I have not changed my opinion, but the Bill is taking from the unionists rights which they have enjoyed ever since we obtained constitutional government, although by means of a compromise we have got back some of these rights. I am opposed to the Bill as amended, because it does not give preference and full political liberty to unionists, and therefore I shall vote against it being placed on the Statute-book.

Mr. WATKINS (Newcastle).—I base my opposition to the adoption of the Committee's report on the rejection of the Senate's amendment relating to preference. I had anticipated that the Bill would be fairer to those who will be called upon to assist in its administration by carrying out the award of the Court, but, seeing that the results which we hope for cannot be obtained, I shall vote against the motion.

Mr. FRAZER (Kalgoorlie).—The action of the Government in connexion with the Senate's amendments leads me to take a pretty serious stand at this stage. I anticipated that the proposals of the Senate, in regard to the inclusion of farm labourers and domestic servants, and the removal of the workable restrictions placed on the granting of preference, would have been accepted by the Government in a spirit of compromise. They have, however, disagreed with all three amendments, and I understand that they accepted a part of the amendment of the honorable member for Bland, enlarging the political freedom of unionists, only when they found that a number of members would leave their ranks and vote against them if they did not. If, in my opinion, the Bill requires too great a sacrifice from those who were primarily responsible for its introduction—the trade unionists of this country. I believe that after another election or two at most, with their present freedom unrestricted they will be able to exercise their political influence to such good effect that a majority will be returned here, who will place upon the Statute-book a measure which will not unduly interfere with their liberties as this measure would do.

Sir JOHN FORREST.—The honorable member will be a conservative by that time.

Mr. FRAZER.—I hope I shall never be as conservative as the right honorable member is. I have heard honorable members opposite say that they do not believe in arbitration, and are opposed to every word in the Bill. Some of those on this side are now giving them an opportunity to express their disgust at the proposal to place such a measure on the Statute-book. We shall see whether they will have the courage to vote against the adoption of the Committee's report, or whether they will consider the Bill sufficiently mutilated and party ties will prove too strong for them.

Mr. BATCHELOR (Boothby).—I can understand the feelings which actuate those who intend to vote against the adoption of the report, because I myself have frequently felt inclined to vote against a measure which I was afraid would be of no service in bringing about industrial peace, seeing that the unions would not register under it. Now that the amendment of the honorable member for Bland has been accepted, however, I am prepared to send the Bill back to the Senate, hoping that we have not yet reached the final stage in its consideration. There will still be an opportunity to reject it if no further improvement is made.

Mr. POYNTON (Grey).—I rise to make it clear that the Bill does not meet my ideas of what an Arbitration Bill should be. In my opinion, the clause providing for preference is unworkable. I wish the Government had met us in regard to that clause as they have done in regard to clause 55. I understand, however, that no great credit is due to them for accepting the amendment of the honorable member for Bland, because they did so only when they knew that three or four of their supporters would vote for it.

Mr. REID.—When I made my speech accepting the amendment of the honorable member for Bland, I did not know how my supporters were going to vote in regard to it.

Mr. POYNTON.—The action of the Government in trying to have the amendment moved out of order did not indicate a

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desire on their part to meet us. I am thankful for what we have got in that amendment, because I think that there is more in it than the honorable member for Kennedy sees there. A very broad and liberal interpretation can now be placed on the political action of unions. Notwithstanding the acceptance of that amendment, however, there still remains the provision which requires applicants for preference to demonstrate to the Court that they represent a majority of those affected. Still, I do not think that this is the stage to vote against the Bill, and I am willing to give an opportunity for its re-consideration by the Senate, because I hope that that House will insist on some proposals for the improvement of the preference clause.

Mr. SALMON (Laanecoorie).—I should not have spoken on this motion, although I do not waive my rights as an ordinary member to do so, had it not been for the remarks of the honorable member for Grey. I hope that there will not be any misapprehension in regard to the action taken this afternoon by certain honorable members and myself with reference to the amendment proposed by the honorable member for Bland.

Mr. POYNTON.—I did not say anything about the action of the Chairman.

Mr. SALMON.—The honorable member's remarks applied to the decision which I was compelled to give, as well as to the action of honorable members in raising the point of order. I regret to be compelled to refer to the matter, but I feel that it is necessary to do so, because I wish the honorable member, and those to whom we are responsible, to know that the merits of the amendment were not under consideration while the point of order was being discussed. I hope that there will be no misapprehension in the public mind on the subject. Those who dealt with the point of order had regard purely to constitutional considerations, and made no reference to the details of the amendment itself.

Question—That the report be now adopted and a Committee appointed to prepare reasons for disagreeing with certain amendments—put. The House divided.

Ayes	44
Noes	7
Majority	37

AYES.

Batchelor, E. L.	Mauger, S.
Bonython, Sir J. L.	McCay, J. W.
Carpenter, W. H.	McColl, J. H.
Chanter, J. M.	McLean, A.
Conroy, A. H. B.	McWilliams, W. J.
Cook, J.	O'Malley, K.
Edwards, R.	Phillips, P.
Ewing, T. T.	Poynton, A.
Fisher, A.	Reid, G. H.
Forrest, Sir J.	Ronald, J. B.
Fuller, G. W.	Salmon, C. C.
Gibb, J.	Skene, T.
Glynn, P. McM.	Smith, S.
Isaacs, I. A.	Thomson, D.
Johnson, W. E.	Thomson, D. A.
Kelly, W. H.	Tudor, F. G.
Kennedy, T.	Watson, J. C.
Knox, W.	Willis, H.
Lee, H. W.	Wilson, J. C.
Liddell, F.	
Lonsdale, E.	*Tellers:*
Lyne, Sir W. J.	Groom, L. E.
Maloney, W. R. N.	Wilks, W. H.

NOES.

Brown, T.	Webster, W.
Frazer, C. E.	*Tellers:*
Hutchison, J.	McDonald, C.
Watkins, D.	Spence, W. G.

PAIR.

Edwards, G. B.	Page, J.

Question so resolved in the affirmative.

Report adopted.

Mr. REID, on behalf of the Committee, brought up the following reasons for disagreeing to certain amendments of the Senate:—

As to amendment No. 1—

Because—

1. Rules which could be applied by an Arbitration Court in the case of organized trades working under similar conditions, though in different parts of the Commonwealth, could not be applied to rural industries whose conditions vary widely not only in the same branches of rural industry, but also in different localities throughout the Commonwealth.
2. The likelihood of industrial disputes extending beyond the limits of any one State in the case of such industries is remote.

As to Amendment No. 2—

Because—

1. Rules which could be applied by an Arbitration Court in the case of organized trades working under similar conditions though in different parts of the Commonwealth, could not be reasonably applied to the conditions of domestic service.
2. The likelihood of industrial disputes extending beyond the limits of any one State in the case of domestic service can scarcely be seriously regarded.

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As to Amendment No. 3—

Because questions of preference in employment are of such vital importance to the people of the Commonwealth that they demand some such safeguard as that contained in the provision removed from the Bill.

He said: I may explain that this message simply represents the reasons of those who oppose the amendments of the Senate, and not the reasons of those honorable members who did not vote against the Senate's amendments. I move—

That the Committee's reasons be adopted.

Mr. FRAZER. — I suppose that we can make our position clear by dividing the House on the motion.

Mr. REID. — I suppose so. I would point out that the Senate is waiting to receive this message before it adjourns. The reasons stated are those of honorable members who voted against the Senate's amendments.

Mr. McDONALD. — May I ask, Mr. Speaker, if the reasons can be submitted separately?

Mr. SPEAKER.—They can.

Sir WILLIAM LYNE (Hume).—I understood the Prime Minister to read a statement to the effect that an amendment could not be seriously considered.

Mr. REID.—No; what the message states is that the likelihood of a dispute affecting domestic servants extending beyond the borders of any one State could not be seriously regarded.

Sir WILLIAM LYNE.—I think that those words might be objected to by the Senate, and perhaps they could be altered.

Mr. REID.—I have no objection to altering the form of the message. I hope that I may be allowed to make a suggestion as to the order of business.

Mr. SPEAKER.—The Prime Minister will be able to speak presently. If he is allowed to answer a question by the honorable member for Hume, he may be called upon to answer half-a-dozen questions by other members.

Mr. McDONALD (Kennedy).—I think that the usual course adopted under similar circumstances is to adjourn the consideration of the Bill until the next day, in order to afford honorable members an opportunity of seeing in print the reasons which have been prepared by the Committee.

Mr. REID.—They are not the honorable member's reasons, but ours.

Mr. McDONALD.—We are asked to allow to be transmitted to the Senate certain reasons which I do not regard as correct. I wish to have an opportunity to reply to those reasons, so that my own ideas may be published in *Hansard*. Whilst the reasons were being read, I could catch only an occasional word. I understand that the Prime Minister made a reference to something which he regarded as "remote."

Mr. SPEAKER.—If the honorable member desires it, I will ask the Clerk to read the reasons.

Mr. McDONALD.—I should like to hear them.

Reasons read by the Clerk.

Mr. McDONALD.—I take the strongest exception to reason No. 1, and I object to the whole of them.

Mr. REID.—The honorable member must understand that that is our reason for excluding agricultural labourers.

Mr. McDONALD.—When the Prime Minister has recovered from his pique——

Mr. JOSEPH COOK.—I rise to a point of order. The honorable member for Kennedy has been upon his feet three times in connexion with these reasons. In the first place, he inquired how they should be put. Since then, he has made a speech. He broke off from that speech, and is now making another. In view of the fact that you, sir, would not allow the Prime Minister to say a word in explanation, I claim that the member for Kennedy is out of order.

Mr. SPEAKER.—The honorable member has misunderstood the position. In the first place, the honorable member for Kennedy asked—as he had a perfect right to do—upon a point of order, whether the reasons could be put separately from the Chair. When such a request is made, it is obligatory under our Standing Orders that the questions shall be put separately. Then, the honorable member commenced his speech, intimating that he had not distinctly heard the reasons when they were first read. Thereupon, I directed the Clerk to read them, and after that had been done, I allowed the honorable member to continue his speech.

Mr. McDONALD.—The action of the honorable member for Parramatta has compelled me to make a fourth speech. I object to the reasons advanced in the message for the exclusion of agricultural labourers from the operation of this Bill. I believe that that is one class of labour which is likely to be organized throughout Australia in the very near future. It is well

known that at the present time strenuous efforts are being made in that direction in Queensland, New South Wales, and other parts of the Commonwealth, and that money is being devoted to that purpose. Consequently, I claim that in the very near future there will be a huge organization of farm labourers. Further, I oppose the reasons embodied in the message, because they do not convey to the Senate what is really at the root of this legislation, namely, the fact that it is class legislation. I realize that it is idle to occupy much time in placing my views before the House, because the majority of honorable members are opposed to me. Nevertheless, I think that the opinions of the majority should be couched in such terms——

Mr. REID.—As would please the honorable member.

Mr. McDONALD.—They should at least be couched in such language as would not be calculated to mislead.

Mr. SPENCE (Darling).—The Prime Minister has declared that the reasons embodied in the message are only those of the Government. I would point out, however, that when they reach the Senate they will be regarded as the reasons advanced by this House. I object to the statement contained in reason No. 1, because there is no evidence to show that the conditions of the farm labourers vary in the different States. I deny that the conditions surrounding their employment vary even as much as do the conditions in other industries. In any case, that is not a sufficient reason for refusing to accept the amendment relating to them.

Mr. REID.—Then vote against it.

Mr. SPENCE.—We know that the Government have other reasons for adopting this course. There is no reason why farm labourers should not be brought under the control of the Court in the same way as are other workers. The same remark will apply to domestic servants. The maritime dispute of 1891 extended to various unions, and there is no reason why a dispute among domestic servants should not extend beyond the limits of any one State. The conditions under which domestic servants are called upon to labour are practically similar in all parts of the Commonwealth. Take the position of domestic servants in hotels.

Mr. REID.—Domestic servants in hotels are not excluded from the operation of this measure; it is only domestic servants in private employemnt who are shut out.

Mr. SPENCE.—At all events, I disagree with the exclusion of farm labourers and domestic servants. I hold that no one who can be reasonably brought within the provisions of the Bill, should be excluded from it, and that the reasons proposed to be given for the exclusion of these persons are not correct. I do not know of any debate which has taken place in this House that would support the giving of these reasons. The Government think that because certain workers are not organized, they never will be; but that merely shows that they know very little about trade unionism.

Question—That the reasons for disagreeing to amendment No. 1 be adopted—put.

The Committee divided.

Ayes	34
Noes	8
Majority	26

AYES.

Bonython, Sir J. L.	McCay, J. W.
Chanter, J. M.	McColl, J. H.
Conroy, A. H. B.	McLean, A.
Cook, J.	McWilliams, W. J.
Ewing, T. T.	Phillips, P.
Forrest, Sir J.	Reid, G. H.
Gibb, J.	Robinson, A.
Glynn, P. McM.	Ronald, J. B.
Groom, L. E.	Skene, T.
Hutchison, J.	Smith, S.
Isaacs, I. A.	Thomson, D.
Johnson, W. E.	Thomson, D. A.
Kelly, W. H.	Willis, H.
Kennedy, T.	Wilson, J. G.
Knox, W.	
Lee, H. W.	*Tellers:*
Liddell, F.	Fuller, G. W.
Lonsdale, E.	Wilks, W. H.

NOES.

Batchelor, E. L.	Webster, W.
Brown, T.	
Frazer, C. E.	*Tellers.*
Tudor, F. G.	McDonald, C.
Watkins, D.	Spence, W. G.

PAIRS.

Edwards, G. B.	Page, J.
Smith, B.	Maloney, W. R. N.

Question so resolved in the affirmative.

Reasons for disagreeing to amendments Nos. 2 and 3 agreed to.

DEFENCE BILL, 1904.

Bill returned from Senate with amendments.

Mr. McCAY (Corinella—Minister of Defence).—I should like the House to

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consider these amendments to-night. Last week I promised the honorable and learned member for Bendigo and others to provide statutory power in the Governor-General to appoint a commander of the troops in time of war, instead of leaving the power to be exercised, as at present, under prerogative. In pursuance of that promise, I had inserted, while the Bill was before the Senate, an amendment providing that the Governor-General should be empowered to "appoint an officer or officers of the Defence Force to command the whole or any portion of the Defence Force in time of war." In the next place, I promised that provision should be made for securing the seniority of the Inspector-General. Accordingly an amendment was made in the Senate providing that the Inspector-General and the Director of the Naval Forces "shall have such seniority and powers as may be prescribed," the words "seniority and" being inserted. In the Senate, there was also inserted the words "or performed" after the word "exercise" in a place where those words did not appear, although they occurred in other portions of the measure. In omitting the words "General Officer Commanding" in one clause, the word "the" was not also omitted, and an amendment in the Senate has put that matter right. Those are the whole of the amendments made by the Senate, and to enable me to take steps to put the scheme in operation at the earliest date, I ask honorable members to deal with them to-night. I move—

That the amendments made by the Senate be agreed to.

Mr. BATCHELOR (Boothby).—The amendments seem purely formal, and since they have been made in accordance with the promise made by the Minister, I do not think any objection can be raised to the course suggested.

Mr. GLYNN (Angas).—If the amendments involve a limitation of the prerogative it may be necessary to adopt express words negativing the prerogative, or the Royal Assent may be refused.

Mr. REID.—The Royal Assent would not be refused, if the amendments did not negative the prerogative.

Mr. GLYNN.—I wish to know whether the amendments include an express negative of the prerogative?

Mr. McCAY.—No.

Mr. GLYNN.—Then I am afraid there may be difficulty.

Question resolved in the affirmative.

ORDER OF BUSINESS.

Mr. REID (East Sydney—Minister of External Affairs).—I desire to-morrow to give the honorable and learned member for Ballarat an opportunity to introduce his motion in regard to Preferential Trade, and I move—

That the remaining orders of the day (Government business) be postponed.

I intend to follow that up with a motion that the notice of motion No. 1, dealing with preferential trade, be an order of the day for to-morrow, and have preference over other business. When the honorable and learned member for Ballarat has spoken, I shall ask the House to allow me to move the adjournment of the debate. I propose that we should then proceed with the Appropriation Bill.

Mr. CHANTER.—How long will the adjournment of the debate extend?

Mr. REID.—That is a matter for the House to settle as the business proceeds, but I should like an opportunity to speak on the subject during this session.

Mr. CHANTER.—Other honorable members may also wish to speak.

Mr. REID.—I shall give way to other honorable members if necessary. But we desire to send the Appropriation Bill to the Senate, in order that there may be a prospect of finishing the session, at the latest, next week.

Mr. WATKINS.—Is it proposed to go on with the Appropriation Bill before we deal with the Manufactures Encouragement Bill?

Mr. REID.—I propose to ask honorable members to take the Manufactures Encouragement Bill into Committee, but there is no possibility of our dealing with the measure if we are to prorogue next week. If the Bill be taken into Committee it may be resumed at that stage next session. That, I think, is a reasonable suggestion, because, as I say, there is not the slightest prospect of finishing the Bill this session. I know sufficient of the temper of the House to gather that we cannot deal with the measure if we are to prorogue, as I hope we shall, if not at the end of this week, at the end of next week.

Question resolved in the affirmative.

Motion (by Mr. REID) proposed—

That general business, notice of motion No. 1, be an order of the day for to-morrow, and have preference over other business.

Mr. WEBSTER (Gwydir).—In regard to this motion, do I understand that when

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the honorable and learned member for Ballarat has spoken, the Prime Minister proposes to reply?

Mr. REID.—Not to-morrow.

Mr. WEBSTER.—But when the Prime Minister does reply, is it his intention to allow other honorable members an opportunity to discuss this all-important question?

Mr. REID.—I hope so, but I am afraid it will not be possible to finish the debate, if the whole of the seventy-five members desire to speak.

Mr. WEBSTER.—I only desire to know whether honorable members will have an opportunity to follow the Prime Minister?

Mr. REID.—I hope so, but I cannot promise that the whole of the members will have an opportunity to speak.

Mr. WEBSTER.—What time is the Prime Minister prepared to devote to the matter?

Mr. REID.—I am going to co-operate with honorable members in order to close the session certainly by the end of next week. I cannot state the precise length of the discussion, but it will be allowed to go as far as possible.

Mr. WATKINS (Newcastle).—Discussion of the question of Preferential Trade is likely to be a waste of time at this stage of the session, especially when we consider that we have had before us for over three years the Manufactures Encouragement Bill.

Mr. REID.—I have already given a week and two days besides to the consideration of that measure.

Mr. WATKINS.—The second reading of the Bill has been debated, and it is time we came to a decision, in fairness to those who are interested.

Mr. REID.—If I can get the Bill through I shall be delighted.

Mr. RONALD (Southern Melbourne).—I should like to know what opportunity will be afforded to discuss the motion which I submitted in reference to Home Rule for Ireland?

Mr. MALONEY (Melbourne).—It seems to me that the honorable member for Ballarat desires to do a thing which he did on several occasions in the State Parliament. He wishes to deliver a splendid specimen of oratory, after which other honorable members are not to have a chance to reply. I remember an occasion when he did that in connexion with the religious education question. I took exception to it, insisted on my right to speak, moved an amendment, and pressed the matter to a division. If the Prime Minister will assure us that we shall have fair play all round I shall have no objection to offer, but I do object to one honorable member being given special opportunities at the expense of others.

Mr. McDONALD (Kennedy).—Some days ago I raised an objection to the course which it was proposed to take in reference to Preferential Trade. The Prime Minister has no right to expect us to attend at half-past 10 in the morning after a long sitting, even to hear a brilliant oration from the honorable and learned member for Ballarat. No doubt it is very pleasant to hear him, and it is quite fair that the Prime Minister should have time in which to prepare a reply. But the question is a very important one, and if there is not to be a general discussion I am prepared to let the Prime Minister and the honorable and learned member for Ballarat have their say, and then to have a division. It is, however, merely wasting time for one honorable member to talk for four or five hours unless we are to come to a decision. I object to it. When the Prime Minister moves the adjournment of the debate to-morrow, I would advise those honorable members who have anything to say on the subject to insist upon a division or upon the debate proceeding. Under the circumstances, it would be wise for every honorable member who has anything to say to sharpen his little tomahawk in readiness for what will happen. I object to private members' business being put on one side in order that special favours may be shown to the honorable and learned member for Ballarat. Why are rights conceded to him which are denied to others?

Mr. REID.—I should like to point out that I am not asking private members to give up their time. I am simply arranging for the course of business in Government time. I promised the honorable and learned member for Ballarat to give him an opportunity to bring on this question, and I am simply carrying out the promise which I made. It is well known that I made it, and I am sure that no honorable member would ask me to break my word. If I can assist any other honorable member I will, as far as I can consistently with the policy and programme of the recess party. But I desire honorably to discharge my obligations, and I hope that honorable members will recollect that that is the object of this motion.

Question resolved in the affirmative.

House adjourned at 11.18 p.m.

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Senate.

Thursday, 8 December, 1904.

The PRESIDENT took the chair at 10.30 a.m., and read prayers.

PAPER.

Senator Sir JOSIAH SYMON laid upon the table the following paper:—

Copy of correspondence with the Government of India relative to the relaxing of the provisions of the Immigration Restriction Act so as to permit Indian merchants, students, and tourist travellers to visit Australia under passports granted by the Indian Government.

PAPUA (BRITISH NEW GUINEA) BILL.

In Committee—(Consideration resumed from 7th December, *vide* page 7941):

Postponed clause 21—

. . . .

No intoxicants or opium shall be imported into or manufactured in the Territory, except by written permission of a person duly authorized by the Lieutenant-Governor, and under regulations and conditions to be prescribed. . . .

Senator PEARCE (Western Australia).—I move—

That the blank in the clause be filled by the insertion of the following words:—

"A poll of the adult white inhabitants of the Territory shall, within twelve months from the passing of this Act be taken in accordance with regulations to be made by the Lieutenant-Governor to ascertain whether or not intoxicants may be imported into, manufactured in, and sold in the Territory for commercial purposes generally.

"Such regulations may prescribe the mode in which the poll shall be taken and the form in which the ballot-papers shall be framed, and may define the powers and duties of the officer and his deputies conducting such poll, and may provide generally for all matters whatsoever relating to the taking of the poll.

"No vote shall be disallowed by the officer appointed to conduct such poll for informality so long as the intention of the voter is expressed actually or by reasonable intendment. Provided that at any election one-third of the white inhabitants shall record their votes in order to constitute a poll. Before the taking of such poll a notice shall be inserted in the official *Gazette* by the Lieutenant-Governor, stating as correctly as possible the number of the adult white inhabitants of the Territory, and such number shall be taken as the number of the adult white inhabitants of the Territory for the purposes of the poll."

An honorable senator has said that my proposal for taking a local-option poll is impracticable. But I observe that he has given notice of a series of clauses to provide for the election of three members to the Legislative Council. If it be possible to take a poll for that purpose surely it is possible to take a local-option poll?

Senator STANIFORTH SMITH.—If the honorable senator is referring to me, I did not say that his proposal is impracticable. I merely said it would be a waste of time and money to take a local-option poll.

Senator PEARCE.—I understood the honorable senator to point out yesterday that my proposal would be unworkable. Surely no one will contend that in the course of twelve months the Lieutenant-Governor could not ascertain the wishes of the people on the liquor question? No hard and fast conditions are laid down in the amendment. We do not, for instance, impose upon the settlers the conditions of our Electoral Act; but we give them free scope to make their own regulations for carrying out the poll. It could easily be done through the agency of the post office. The population, although separated by long distances, is grouped in small communities, namely at Louisade, 15; at Gibarra, 50; at Kevin, 20; at Gira, 65; at Yodda, 50; and at Woodlark, 90. Although one community may be situated at a long distance from another, still the people in each are grouped together. Wherever there is a large population a Government official is stationed. There would be no difficulty in taking a poll at Samarai and Port Moresby. It would not be necessary to appoint a returning officer. The local officers are left by the amendment to make their own arrangements. It is said by some honorable senators that the people are all in favour of having liquor in the Territory. But we know that a large number of persons are opposed to its importation and sale. Why should we not give the settlers this easy and inexpensive opportunity of declaring their wish upon the subject? It has been said that the amendment is a negation of the principle of the Bill, namely, to grant a certain measure of self-government to the people in the Territory. The nominated Legislative Council will, to a certain extent, be a representative institution.

Senator Sir JOSIAH SYMON.—It will be a legislative body amenable to public opinion.

Senator PEARCE. — Certainly, and therefore we are quite in accord with that principle.

Senator MULCAHY.—Let the Legislative Council legislate. It ought to know more about the subject than we do.

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Senator PEARCE.—We propose to consult the people of the Territory on the subject. It has been said that the local option clauses are objectionable because they consult the residents. It is urged by some honorable senators that we should declare the law on this subject without consulting the people.

Senator FRASER.—What is the good of consulting the people when we already know their mind?

Senator PEARCE. — What right have we to assume that we know their mind? Unlike the honorable senator, I think that the residents are against prohibition, but that is only my opinion. At the expenditure of a few shillings on postage stamps they would be able to register their view. There are less than 600 persons to be consulted, and most of them are located in two or three of the largest settlements. A list of the people could be made up, ballot-papers could be printed and distributed, and a certain time allowed for their return.

Senator Sir JOSIAH SYMON (South Australia — Attorney-General).—I am not immediately following Senator Pearce from the point of view of the Government, but simply to add to what I said last evening. I am afraid that I am unable to support the first proposal in his amendment. The principle which my honorable friend advocates is a very large step in the direction in which we should all wish to go, namely, that of not interfering with the personal wishes and the powers of self-government of the white residents. The objection which I have is to a large extent the same as that which I had to the clause regarding prohibition. I do not think that we ought to interfere as to the mode in which these people are to regulate their liquor traffic. This is a Bill to establish a system of government. We are giving to the Possession a Legislative Council which, within its own limits is, to a certain extent, a representative body; because the provisions with regard to the establishment of the Legislative Council enable it to be amenable, more or less, to public opinion. It will be very much better to leave the Council to legislate on a matter of such intimate local interest as this is. That has already been done under a more modified constitution, and without the direct and close control which will be established under the Commonwealth. We are near at hand. We are in constant communication with British New Guinea. The interests of the Possession are very close and dear to us in the Commonwealth. We are anxious to make it a pattern of administration. All these considerations involve a degree of strict supervision on the part of the Commonwealth, which does not exist where there is a Crown Colony 12,000 or 13,000 miles or more away from the Home country. Our supervision is that of persons practically looking over the wall, so to speak, into the arena that is under the control which we define. Therefore, we have an opportunity of exercising a beneficent influence and a directing power in relation to the affairs of the Possession. So that if any exception were to be taken, or if we were disatisfied with the wisdom of the local administration in dealing with these matters, there are restrictive provisions in the Constitution which enable us to intervene. I also want to point out that while the proposal is an interference with the self-governing powers of this new Dependency, of which we are assuming the direction, in matters which intimately concern its own local affairs, there are difficulties in the way of exercising and bringing about this local option, some of which my honorable friend Senator Pearce has combated. It is a scattered community. It would be very difficult to obtain a poll. If the proceedings were conducted in the ordinary way it would involve great expense. Possibly that point may be met by taking the poll by post, but we know how unsatisfactory that might be in a place like British New Guinea, where a powerful personal influence in a particular locality might secure the whole of the votes being given in a particular way. The people there would not have the benefit which we, in a more favoured country, have, of holding public discussions and meetings to debate the question. There would be an absence of enlightening discussion, so that the whole of the voting might be in a particular direction. The poll might be a farce one way or the other. There certainly is that contingency.

Senator PEARCE.—A very remote contingency.

Senator Sir JOSIAH SYMON.—We should have to get over it if it were decided to have a local option poll. Then there is no provision as to what the majority is to be. Is it to be a majority of those voting, or a majority of the whole of the white population?

Senator O'KEEFE.—A majority of those voting.

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Senator Sir JOSIAH SYMON.—With the small white population, it might be impossible to get a representative vote if a majority of those voting is to decide.

Senator O'KEEFE.—If it is a burning question with them they will vote.

Senator Sir JOSIAH SYMON.—The fundamental objection that I am not able to get over is that under this Bill we are giving a system of government to the people of British New Guinea, and we ought not to tie their hands as to the regulation of their own internal affairs. We may abstain from doing so the more readily, because we have the feeling that we should be doing complete justice, owing to the fact that their proceedings and the exercise of their powers will be under the supervision of the Commonwealth and within the limits of the Constitution.

Senator DOBSON.—Why not give them representative government at once if that is the case?

Senator Sir JOSIAH SYMON.—There is to be an amendment to that effect later on, but I think honorable senators will pause before voting for any proposal to confer representative government upon British New Guinea.

Senator DOBSON.—But the honorable and learned senator's argument goes as far as that.

Senator Sir JOSIAH SYMON.—We should be foolish to depart from the lines upon which dependencies of this character are usually governed for the purpose of imposing, I will not say a fad, but some particular nostrum of our own in relation to what intimately concerns the internal affairs of the people. There would be more reason for imposing upon them absolute prohibition, and saying, "You shall not allow a drop of liquor within the borders of British New Guinea," than there is in saying that it shall be regulated by the people themselves by means of a poll which it would be very difficult to take. These are the views which I submit to my honorable friend for his consideration. I think it would be unwise for us at this stage to introduce into this Constitution restrictions upon the powers of the Government in relation to so important a question.

Senator MULCAHY (Tasmania). — I think we ought to call things by their right name. We are dealing with this matter as if it were a question of local option as generally understood. As a matter of fact, it is nothing of the kind. It is a question of prohibition which may indeed be part of the principle of local option, though certainly a great many people who are strong local optionists, as I am, do not believe in prohibition. We are asked to give the right to 201 people out of 400 to dictate to the other 199 as to what they shall or shall not drink. That is totally opposed to my ideas of true liberty. I would never consent to permit any one to dictate to me as to my right to have a glass of whisky or brandy, if I needed it, and thought fit to have it and could get it in any way. But, apart from that, the question is whether it is wise to do what Senator Pearce proposes? There seems to be a strong consensus of opinion that prohibition cannot be carried out in British New Guinea. As a matter of fact, I do not think it has ever been carried out in any country. It has been legislated for, but I doubt whether the legislation has been successful, even where the conditions were much more favorable than they are in the Possession. The preponderance of opinion on the part of the white residents of British New Guinea shows that it will be absolutely impossible to carry out prohibition at all. What does the proposal mean? It means that a small number of whites, if they were so inclined, might work together and secure a small majority at the poll, which would enable them to impose their will upon the actual majority of the white residents. Because the majority are too scattered to exercise the right to vote, which it is proposed to give them. There is the less justification for the proposal, because the evidence shows that at the present time the administration of the liquor traffic, in relation to the coloured people, is as nearly perfect as it is possible for it to be. We are legislating for a far off country, of which very few of us know anything. Indeed, we have to thank one honorable senator for having taken the trouble to inform the Senate, from personal inquiry, as to what the conditions in British New Guinea really are. We are providing a Constitution for this country, giving it power to legislate for itself within certain limits. But we are asked to give that power with the one hand, and to take it away with the other. The questions which were put to inhabitants of all classes at the instance of the late Prime Minister revealed the fact that opinion is unanimously opposed to prohibition. We have the opinions of leading missionaries, resident magistrates, miners, traders, and people of

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all descriptions, who tell us that, after nineteen years of British occupation, the natives have not acquired a taste for alcoholic drinks. That seems to me to indicate either that they do not care for our liquors, or that the law restricting the supply to them is effective. The laws have been very carefully carried out under such ordinances as have been imposed.

Senator DOBSON.—Does the honorable senator think that that state of affairs will remain for long?

Senator MULCAHY.—I do not see why it should not. We have had that experience, and why should we not follow the advice of those who have administered the Dependency so satisfactorily up to the present? We are asked to do what every one, who speaks with authority, declares to be impracticable. We are also asked to put into a Constitution details concerning a matter that can very much more easily be carried out by those on the spot by other means.

Senator PEARCE.—It is proposed to leave it to those on the spot to carry out the proposal.

Senator MULCAHY. — No, it is proposed to leave it to 201 persons to do a certain thing although it is against the will of the other 199. I was astonished to hear my colleague from Tasmania, Senator Dobson, ask that the 400 white people of British New Guinea should be allowed representative government.

Senator DOBSON.—I do not believe in any such thing; I simply said that if Senator Symon's argument were sound, we might as well concede representative government at once.

Senator MULCAHY.—I trust that we shall make our legislation as practical as possible, and leave the administration of it to those who have exercised their authority so admirably in the past. We have decided to trust them to administer matters of greater importance, and we may as well trust them in this.

Senator GRAY (New South Wales).—Having fought to the best of my ability for prohibition, and having been fairly and squarely beaten, I shall trouble the Committee no further on the point. I ask Senator Pearce, however, if he cannot see his way to withdraw the local option proposal, which, I feel sure, places us in a false position. We are asked to leave the matter to the vote of people who, we may be sure, will be unanimously against prohibition. Those who believe in prohibition should have voted in favour of that principle, and not have relied on a clause which simply has the effect of passing the responsibility over to the white men of New Guinea. I suppose that each of the twenty odd licensed sellers of drink in New Guinea could command four or five votes, representing nearly 100 of the total population of 400. The living of the traders depends on exchange and barter with the natives, and those traders are, to a certain extent, indirectly interested in the liquor traffic. Then there are about fifty Government officials, whose comfort, to a large extent, depends on the character of the hotels in the various districts; and they, as we probably should ourselves under the circumstances, will doubtless come under the influence of the hotelkeepers, and vote almost to a man against prohibition. Judging from the quantity of drink imported into the Possession, I should conclude that the only teetotallers are to be found amongst the missionaries—that there are very few abstainers in the general population. Last year there were imported 1,600 gallons of whisky, 800 gallons of brandy, 141 gallons of gin, 600 gallons of rum, 300 gallons of bottled ale, 4,200 gallons of draught ale, 1,018 gallons of wine, including 64 gallons of sparkling wine, and 290 gallons of other liquors. This represents an average of 30 gallons for every man of the white population; and, under the circumstances, what hope could there be of a vote in favour of prohibition? The residents of New Guinea cannot be regarded as ordinary colonists. I question whether there are five white men in the whole of the island who look upon New Guinea as their permanent home. Those men are simply there to make money, and they all hope to return to their homes in Australia or elsewhere. Indeed, the white residents there have not yet been given citizen rights, and yet we are asked to allow them to exercise local option. The proposal before us would, in my opinion, drag the great principle of local option through the mud. I know that Senator Pearce has as great a regard as has any honorable senator for the welfare of the people of New Guinea, and I hope that he will see the advisableness of withdrawing the amendment.

Senator KEATING (Tasmania).—I intend to vote against the amendment. I was very much impressed with the arguments addressed to the Committee last night and to-day by the Attorney-General. We are

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now conferring on the people of New Guinea a means of governing their own territory; we are simply providing a Constitution, and, as far as possible, leaving the white residents, subject to the surveillance of the Commonwealth, to work out their own destiny, according to their requirements. The white settlers of New Guinea are more conversant with the conditions and requirements of the Possession than we can hope to be unless we visit those shores more frequently than has so far been the case. We can safely leave the white settlers to determine this question for themselves. Senator Gray infers, from the extraordinary amount of liquor imported into the territory last year, that there must be no total abstainers there.

Senator GRAY.—I said there must be very few.

Senator KEATING. — The honorable senator said that practically the only teetotallers must be amongst the missionaries. It has, however, been suggested to me by an honorable senator that Senator Gray has not considered the fact that for some time past the question of taking over the administration of New Guinea has been before the Commonwealth Parliament. Throughout the Commonwealth there have been murmurs that it is desirable to introduce the principle of prohibition; and it is quite possible that, following the example of people in New South Wales, in anticipation of a protective Tariff for the Commonwealth, many of the New Guinea residents have provided themselves with liquor for a few years, at any rate.

Senator GRAY.—Two years ago the importations were larger still.

Senator KEATING.—The importation should be shown over a period of years, during which the people were unaware of any intention on the part of the Commonwealth to take over the administration of the Territory. I quite agree with the Attorney-General that this Bill is intended to confer on the local people some measure of self-government, and not to tie their hands. Last night it was intimated that we had the example of a people to whom a Constitution was given being prevented from imposing anything in the way of differential duties. But differential duties imposed in a Territory, Colony, or Possession affect not only the residents, but other people outside, whereas the question now under discussion is entirely domestic. Just as I should object to undue interference by the Commonwealth in the domestic affairs of any of the States, or by the Imperial authorities in the domestic affairs of the Commonwealth, so I object—and I think the people of New Guinea might rightly resent any interference—to such as that now proposed. For those reasons I favour leaving the matter entirely to the people of New Guinea under the measure of self-government now before us. The people ought to be left to take this poll on their own initiative—they should be left, if they please, to establish prohibition or leave matters as they are, or to adopt a policy similar to that followed in the Australian States or in New Zealand.

Senator McGREGOR (South Australia).—I hope the Committee will support the amendment moved by Senator Pearce. The fact is that we are not giving the people of Papua self-government; and those who take the view that we are extending self government to them are deceiving themselves, or trying to deceive others. In view of the fact that in a population of a little over 400, there are seven licensed hotelkeepers and thirteen licensed storekeepers, we can easily realize the influence which would be exercised in deciding the question of prohibition or the regulation of the drink traffic. It is wise, I think, that for the present we should give the settlers in New Guinea some indication of the direction in which we should like the administration of the liquor traffic to go. I do not agree with Senator Gray, who wishes us to believe that the white people of New Guinea are wine bibbers. I do not take the view which Senator Gray does as to the quantity of liquor imported last year, nor do I, on the other hand, accept Senator Keating's explanation of the facts. Further, I do not agree with Senator Smith, that men who are the flotsam and jetsam of other countries have made their way into New Guinea. We know how the Australian States were peopled in the past, and yet parliamentary candidates assure similar classes to those who now inhabit New Guinea that they are the "hardy pioneers" who have "borne the heat and burden of the day"—that they are the finest people on the face of the earth! I have no doubt that at some future day parliamentary candidates will be saying the same sort of thing to the people of Papua. We have an opportunity, not only to act in the interests of the white residents of New Guinea, but to afford an object lesson to the rest of Australia. Whether the amendment in connexion with local option be carried or not,

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I hope Senator Pearce will submit the subsequent amendment, which I regard as even of more importance. Whether, in New Guinea, or elsewhere, the people are generally in communities, however small, and there should be no difficulty in taking a vote. When the people of Papua are given self-government will be the time to leave these matters entirely to them. We do not pass this legislation in the pessimistic belief that the white population is going to remain at 400. Our desire is that this shall be a successful Dependency, and ultimately become a part of the Commonwealth. If we establish proper laws dealing with the liquor traffic, the result will not only be beneficial from a State point of view, but will secure to the individual drink that cannot be described as "chain lightning."

Senator MULCAHY.—Would the honorable senator apply that principle to Victoria or to South Australia?

Senator McGREGOR.—I should be prepared to apply that principle anywhere.

Senator PLAYFORD (South Australia).—I have listened to the debate with considerable interest, and with a desire to obtain information. Up to the present time I have not heard any honorable senator contend that the existing system in force in New Guinea for the regulation of the liquor traffic has been a failure, that it has produced evil results, or that an alteration is desirable. We are all very much indebted to Senator Smith, who has visited New Guinea, and has given us the benefit of his experience; but even that honorable senator has not pointed out any ill effects attending the present system. There may be abuses here and there, as there always will be in connexion with the conduct of such a business; but I think that on all hands it is admitted that the present system in operation in New Guinea is working admirably. It is stated that the native population have not been injured by its operation; they have not acquired a taste for drink, and they are an exceedingly sober race. All this goes to prove that no one can fairly say a word against the present system, and I therefore ask why we should attempt to alter it? Where is the necessity to interfere with a system which has been in operation for many years with very good results? I have had an opportunity to speak to a gentleman who has had immense experience in New Guinea as an official, and he has informed me that one of the worst things we could do would be to prohibit the sale of intoxicating liquors in the Territory. I am happy to say that we have prevented that. Senator Pearce is proposing to give the white population an opportunity to exercise local option, and decide whether the sale of intoxicating liquors should be allowed in British New Guinea. But the honorable senator also proposes to impose certain conditions. If the white population decide that the sale of intoxicating liquors shall be allowed in the Territory, the honorable senator proposes that it shall be only upon the condition that the sale shall be through the Government and through Government officials. It would be one of the greatest mistakes we could commit to provide for the sale of intoxicating liquor by Government officials throughout such a Territory as British New Guinea. Those men would be placed in a most improper position, because they would be given an incentive to make money in a very improper way. In my opinion, it would be very dangerous to place in the hands of Government officials, without let or hindrance, the sale of intoxicating liquor throughout such a Territory. Their interest might be to secure the sale of as much intoxicating liquor as they could possibly sell, and it might be also that if they had not that interest they would take very little trouble in the matter, and injury to the public would follow in either case. In my opinion, the safest and best thing for us to do is to leave this matter entirely in the hands of the Legislative Council and the Executive of the Territory. It will thus be dealt with by people who are on the spot, who will understand the local conditions, and who will be acquainted with the working of the present system. They will know how the present system may be altered with advantage to the community, and they will be far more likely to take the right course in the interests of all concerned than we can possibly be. I believe that it will be found most injurious to give the sale of intoxicating liquors into the hands of Government officials. I am, therefore, prepared to vote against the proposal, and in support of leaving the matter to be dealt with by those who will be in charge of the Territory.

Senator CLEMONS (Tasmania).—I have heard several arguments on this question to-day, but only one which is in any way likely to affect my vote. Senator Mulcahy has reproached Senator Pearce for not calling the right thing by the right name.

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The honorable senator objects to Senator Pearce's proposal on the ground that it is local option by name, and not in reality.

Senator MULCAHY. — What I said was that prohibition is always understood to be a very different thing from local option as we understand it.

Senator CLEMONS. — I entirely disagree with Senator Mulcahy's argument. What is proposed is local option, because it will give the white residents of New Guinea the option of saying whether intoxicating liquors shall be manufactured in or imported into the Territory. I am prepared to admit, if that will satisfy Senator Mulcahy, that as we understand it, local option is usually applied to the closing of public houses.

Senator GIVENS.—Under local option, as we know it, there are several alternatives.

Senator MULCAHY.—That is what I said.

Senator CLEMONS.—The form in which it is ordinarily presented to us is that of a poll taken to decide whether certain public houses shall be closed, but the object is the same as the intention is to interfere with the sale of intoxicants.

Senator MULCAHY.—There is a difference between that and prohibition?

Senator CLEMONS.—Under this proposal the white residents of New Guinea will have the option of saying whether intoxicating liquors shall be manufactured or imported into the Territory; but Senator Pearce frankly admits that if the result of their poll be a decision that intoxicants may be imported and manufactured, the importation and manufacture will be placed under State control. The only difference between the proposal and local option, as we understand it, is that in New Guinea, as a result of the exercise of local option in a certain direction, it is proposed that the manufacture and sale of intoxicants shall be under State control, whereas, in the Commonwealth it is usually merely a question of the number of public houses that shall be licensed to sell liquor. I do not pose as a teetotaller as I am not one, but I hope that I am not a fanatic on this question. I must disagree with Senator Playford, when he says, with an air of extreme confidence, that we cannot possibly improve upon the present system in force in New Guinea.

Senator PLAYFORD.—I did not say that. I said that the people there might be able to improve upon it.

Senator CLEMONS.—The honorable senator said that the present system was working admirably in New Guinea, and could not be improved upon.

Senator PLAYFORD.—I did not say that it could not be improved upon.

Senator CLEMONS.—The honorable senator referred to a very high authority—and we know that the reference was to the late Administrator of New Guinea, for whom we have a very great respect—in support of his statement that the present system is working admirably. I differ with the honorable senator. I say that the present system of selling liquor throughout the world does not work admirably. I object to the licensing system, and I am disposed to take advantage of this opportunity to prevent its continuance in New Guinea. Senator Playford has referred to the extreme danger of allowing intoxicants to be sold by Government officials. I do not exclude the element of risk wherever humanity is involved, but I believe that, in the opinion of most people, there will be far less risk in handing over the sale of liquor to Government officials, who will have no personal interest in selling it, than in permitting its sale by the ordinary persons to whom licences are issued, and whose interest it is to sell it in large quantities, and of bad quality. I listened with some amazement to Senator Playford's endeavour to emphazise the tremendous risk we should run by placing the conduct of this traffic under State control. That senator contended that that would lead to a worse state of things than exists at present. He has suggested that a Government official is a far more dangerous person to have the control of liquor than is the ordinary man who applies for a licence and looks to make his living out of the sale of liquor. The argument is preposterous, and I am astonished that Senator Playford should have used it. There is one objection which has raised a serious doubt in my mind, but I hope I shall be able to overcome it. We are giving a Constitution to British New Guinea, and it may be fairly contended that it is not desirable that by our enactment we should impose limitations upon the power of that small community to govern itself under the Constitution, such as it is. I should be more impressed with that argument if we had proposed to give a wider Constitution, and if I could not see in this Bill very many limitations which could never have been im-

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posed, for instance, upon any of the self-governing States of this Commonwealth prior to Federation. In half-a-dozen ways we have already agreed to impose limitations upon the people of New Guinea.

Senator PEARCE.—In connexion with eleven different subjects.

Senator DRAKE.—The honorable senator refers to clause 43, dealing with the matters withheld for assent?

Senator Lt.-Col. GOULD.—All their ordinances might be disallowed.

Senator CLEMONS.—Without desiring to in any way introduce that wholly forbidden topic, the Tariff, I must refer honorable senators to clause 39. In that clause we propose a limitation upon the powers of the people of the Territory to regulate their own Tariff laws. It is unnecessary for me to remind the Committee that a limitation upon the rights of the American Colonies to do what they choose with their own Tariff led to disastrous results. I admit that the limitation there was not the same as it is here. It was different in detail, but so far as the essence of limitation and interference is concerned, it was the same. It was an interference which the American Colonies resented, and which, as we know, produced the American War of Independence. We know, also, that it was an interference which the Imperial authorities subsequently avoided in giving constitutions to Crown Colonies in Australia. There was no such limitation imposed upon the Crown Colony of Western Australia by the Imperial authorities as that which had been imposed upon the American Colonies. I admit that clause 39 appeals to us, but we have here taken it upon ourselves to say that the people of this Territory shall not do certain things with regard to their Tariff. As regards the interchange of goods, this Territory will not be in the same position as a State. I understand that Parliament is determined to impose Customs duties on any imports from the Territory. Therefore, in that respect, it can never stand in the same relation towards the Commonwealth as one State stands towards another State in the Commonwealth. Although that privilege is denied to the Territory, still we have limited its power to impose Customs duties. The Bill contains innumerable limitations upon the power of the Legislative Council to be constituted, and such as have not, to my knowledge, been imposed by the British Parliament in the Constitution for any Crown Colony. If we had not imposed so many limitations in the Constitution, much as I should like to see local option established in the Territory, I should have reluctantly found myself compelled to vote against Senator Pearce. But I have given the matter grave consideration, and finding that so many limitations are imposed upon the self-governing powers of the Territory, I intend to do what is to a certain extent an unconstitutional thing, and that is to vote for the amendment.

Senator DRAKE (Queensland — Vice-President of the Executive Council).—It strikes me that local option was a misnomer for the proposal of Senator Pearce. The idea conveyed to my mind by the phrase is that the people who live in a locality are allowed to restrict the sale of liquor without any regard to the opinion of the people who reside in other localities. It is a matter of locality. It is the negation of a uniform system. It is adopted in order to enable a diverse policy to be carried out in different localities according to the wishes of the inhabitants. There is nothing of that kind proposed to be done in the Territory. It will be noticed that the term "local option," is not used in the amendments or in the marginal notes. A more appropriate term to use would be "referendum." What Senator Pearce proposes is a referendum of the white inhabitants for the purpose of deciding as to a uniform policy for the Territory, which is exactly contrary to the idea conveyed to the minds of most persons by the expression. It is not merely a matter of phrase, it is really a matter of substance, and the danger is that any honorable senator, who may be strongly in favour of local option, as I have always been in Australia, may be inclined to think that he is bound to vote for this proposal, because it is called local option.

Senator PEARCE.—Is it a poll of the white inhabitants?

Senator DRAKE.—For the reason I gave it cannot be properly called a local option poll. I should say that it is a referendum.

Senator PEARCE.—I withdraw the term, if it is objected to.

Senator DRAKE.—Is not the honorable senator losing sight of the consideration which has been uppermost in the minds of honorable senators, and that is the welfare of the natives? Prohibition is chiefly opposed here on the ground that it would be injurious to the coloured race. We ought to continue to look

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at the question from that point of view. At the present time this Parliament is the guardian of the natives. It is now proposed to give a sort of limited constitution to the Territory by creating a Legislative Council with power to make ordinances for its peace, order, and good government. Why should we not leave the determination of this question to the future guardian of the welfare of the natives? If Senator Pearce thinks that prohibition would be injurious to their welfare, why is he not prepared to leave the determination of the question to that body instead of requiring that a poll of the white residents shall be taken, and therefore giving a double chance of a line of policy being adopted which he considers would be injurious to the natives? The most important consideration with honorable senators should be the welfare of the natives. I am still in favour of local option, but, in this case, apart from all difficulties in connexion with the practicability of the proposal, it would be inadvisable to take the settlement of this question out of the hands of the Legislative Council.

Senator DE LARGIE (Western Australia).—I cannot understand how any one who believes in the first principle of democracy—that is, rule by the will of the majority in a community—can consistently oppose the amendment.

Senator MULCAHY.—If a majority were to rule that the honorable senator should not have salt, would he be prepared to bow to their decision?

Senator DE LARGIE.—I do not suggest that the will of the majority should be applied to every phase of life, but in municipal and political questions I think it should be followed as closely as possible. The amendment will give the people of the Territory an opportunity to express their will. Surely when their will is ascertained it will be the duty of the Legislative Council to carry it out?

Senator DRAKE.—Why not ascertain the will of the people on other subjects as well as the liquor traffic?

Senator DE LARGIE.—If the honorable and learned senator will submit a proposal to take a referendum on any subject on which we can legislate he will receive the hearty co-operation of honorable senators sitting on this side. But for the remarks of Senator Playford, I should not have risen to address the Committee. He seemed to entertain a doubt as to the advisability of trusting a Government official with the sale of drink.

Senator PLAYFORD.—It is absurd to ask a policeman on a gold-field to retail liquor in addition to discharging his ordinary duties.

Senator DE LARGIE.—The honorable senator is at a disadvantage in not having had any experience on the conduct of this traffic through the agency of Government officials. In Western Australia, where we have experimented in a community exactly similar to the communities in this Territory, we have solved the liquor question as far as it is capable of solution in our present state of civilization.

Senator PLAYFORD.—But the men who are employed at the Government hotel have nothing else to do. They are not Government officials.

Senator DE LARGIE.—I believe that the experiment could be carried out quite as satisfactorily in Papua as in Western Australia. All that is necessary is to be careful in selecting a manager, and to pay him a reasonable salary. The manager of the State hotel at Gwalia, 700 miles from Perth, is responsible to the Government for its good management. It is conducted on such lines that the most scrupulous persons cannot find any fault with the manager. The only complaint against the State hotel is that it has not been a financial success. We all know how successfully public houses can be run on gold-fields. The man who does not care a fig as to how his house is conducted is generally most successful, because he descends to questionable tactics which would not be tolerated in the manager of a Government institution. We may take it for granted that a Government official in Papua would do his duty. At Gwalia we have a manager who has performed his duty in such a way that no fault can be found with him. It was alleged that the establishment of a State hotel would lead to bribery and corruption, but the predictions have not been realized. So long as it is conducted as a hotel should be conducted, the manager retains his position, whether the place is paying or not. He has not decended to the ordinary tactics of the publican in endeavouring to make the place pay. But, notwithstanding that fact, last year the hotel paid a profit of £588, which under the circumstances was very good. If the hotel-

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keeper had descended to the practices that obtain in some public-houses in the back-blocks no doubt a very much greater profit would have been earned. If the State put a man into the occupation of an hotel, he would understand that the moment he misconducted it, or any questionable thing occurred in it, his occupation would be gone. He would see then that it was conducted in a proper manner. But in public-houses, as usually conducted, where every man is trying to make as much as he can, not necessarily for himself, but for the brewer, it is no wonder that questionable practices take place. Unfortunately, it is the brewer and the property-owner who have to a very large extent assumed control of the public-houses in Australia. In the back-blocks of Western Australia the public-houses are often kept open night and day. As long as there is a customer in the house no one is asked to depart. The publican and his wife are little better than slaves. For almost the whole twenty-four hours of a day they are perhaps working to get a living for themselves; but the people who reap the greater part of the benefit are the brewer and the man who has put his money into the building and has sublet. The moral effect of the establishment of State public-houses is worth thousands of pounds to the country. Any one who knows the place to which I have referred is aware that before the State public-house was established things were very different from what they are now. Crime of every kind was frequent. Brothels were everywhere. Sly-grog shops were the rule. But when the State hotel was established, these places had to give up business, because any one who wanted to get a glass of spirits or beer knew that he could get it pure at the State establishment, whereas at the other places the poison dispensed to the customers was of the kind often designated as "chain lightning," rather than the real liquor that any one could take with the idea of preserving his health and his palate. At the present time, the State hotel is so conducted that at eleven o'clock, the time fixed for closing, no more drinks are served out. At five minutes past eleven every light is extinguished. But two miles and a half away, at the town of Leonore, there are six or eight public-houses that keep open till three or four o'clock in the morning, or perhaps until daylight.

Senator MATHESON.—What are the police doing?

Senator DE LARGIE.—It would take a regiment of police to look after these establishments.

Senator MATHESON.—Has the honorable senator ever been to Leonore?

Senator DE LARGIE.—I should rather think I have.

Senator MATHESON.—Why could not two policeman look after the hotels?

Senator DE LARGIE. — Half-a-dozen policemen could not manage them properly, and for various reasons it would be foolhardy for them to attempt to do so unless they had the assistance of the publicans. At the State hotel, there is no night drinking, and if one goes into the bar, he hears none of the bad language that, as a rule, so offends the ear in public-houses. These facts cannot be surprising to Senator Matheson, who knows the state of affairs that prevails on the gold-fields of Western Australia. I have been there too often not to know what takes place in a mining community. It is impossible to alter it as long as private enterprise conducts the hotels, and as long as it is to the interest of the private individual who is running a "pub." to take advantage of every opportunity to earn "an honest shilling," as it is called. We can remedy this state of affairs by the establishment of State hotels. Senator Playford has expressed some doubt about the matter. That is pardonable in any one who has not had experience of State hotels. But the Western Australian experience is sufficient to justify any one in supporting this proposal.

Senator DOBSON (Tasmania).—I think this debate tends to show that the system which we ought to adopt is to allow the importation of liquor so long as it is controlled by the Government, and so long as the sale is also controlled by them. Therefore, I must differ from the remarks made by Senator Playford with regard to what would be the result of allowing Government officials to control the liquor trade. It must be perfectly obvious that under the present licensing system men who sell liquor practically appoint themselves. They have to go before a magistrate, and most of them can get a character. It is simply the waifs and strays of society who take to hotel-keeping in some quarters. In the case of Government control every hotelkeeper will be a selected man. If personal interest in the sale of drink is eliminated, a better state of things is bound to be brought about. The question before us is whether we shall

adopt the referendum clauses which have been suggested by Senator Pearce. The whole contention has arisen about this matter. But honorable senators have spoken about the first principles and the spirit of democracy. Even the Attorney-General spoke about interfering with the self-government of the people of British New Guinea, and of how wrong it would be not to let them work out their own destiny. That point of view would be all very fine if the Attorney-General were asking us to grant to the white people of British New Guinea a democratic Constitution. But there is nothing democratic about this Bill. It is absolutely opposed to democracy. These people are simply to be governed by us, that is, by our Lieutenant-Governor, and by a Legislative Council whom the Governor-General may appoint at pleasure. I would lay down in this Bill a policy with regard to the drink traffic. I altogether deny that 500 whites have the right to say what is the best system in the interest of 500,000 natives. In this Bill we impose restrictions upon the whites in many directions. We say, for instance, that 10 per cent. of the receipts from the leaseholds of Crown lands shall be devoted to a fund for the benefit of the old, infirm, and sick natives. Why not let the people of British New Guinea say whether 5 or 50 per. cent shall be devoted to that purpose? But we recognise that we have a perfect right in this, the most complicated question which any Legislature can discuss, to lay down the principles upon which we think the government of the Dependency should be based. It is not only the 500 whites whom we have to consider. It is also the black men. British New Guinea is a black man's country, where alcohol is injurious to the human system.

Senator DE LARGIE.—Some of the best authorities say that it is necessary.

Senator DOBSON.—We have been told by Sir William MacGregor, who is a doctor, and by others who speak with authority, that those in tropical countries who take no stimulants have far better health than others. I firmly believe that that is an absolute fact. I deny altogether that we have any right to allow 500 white people, some of them miners, to have absolute control over this question. I hope the clause will be knocked out, and that we shall seriously consider the possibility of putting the whole liquor traffic under State control.

Senator GIVENS (Queensland).—I am in favour of State control, and opposed to prohibition. Senator de Largie says that he does not see how any democrat can refuse to give to the people in New Guinea the right to say whether liquor shall or shall not be imported. This amendment does not propose to give the people a choice as to what they shall or shall not do.

Senator DE LARGIE.—It gives them an opportunity to express their will.

Senator GIVENS.—It does not, except to an exceedingly limited degree. The amendment proposes to give the white people a choice between two alternatives—prohibition or State control. I do not propose to go into the question of State control at this stage, but when Senator Pearce moves his amendment, I shall give him my ardent support. In this Bill we are not dealing merely with 500, 600, or even 1,000 people who may be in New Guinea now or next year, but we are legislating for the enormous black population. We cannot relieve ourselves from the responsibility of seeing that the interests of those coloured people are looked after. The responsibility of seeing that no great evil befalls them rests upon this Parliament. I am of opinion that State control of the liquor traffic in New Guinea presents the only means of safeguarding the black population from the necessary evils of uncontrolled sale. I have lived a long time in tropical countries, and am acquainted with a great many people who are resident in New Guinea, and I have at various times discussed New Guinea matters with them. In addition, I have met large numbers who were absolute physical wrecks owing to ravages of fever contracted in the Possession. I have read all the evidence which has been placed before us, and, taking that together with what I learn privately, there seems to me to be a universal consensus of opinion—an almost absolute agreement—that the introduction of liquor is necessary for the white population. My own experience proves that, when the system is run down in tropical countries, spirits are an excellent tonic, and afford the very best preventative of fever. Fever is exceedingly prevalent in New Guinea, and its effects on the human system are sometimes disastrous.

Senator GRAY.—The effects are exaggerated.

Senator GIVENS.—Excuse me, that is not so. I have seen the effects of the fever last intermittently for years. A man

may be walking down the street, apparently quite well, and two minutes afterwards trembling and shaking like an ivy leaf in the wind.

Senator GRAY.—People who have lived many years in New Guinea, tell a different story.

Senator GIVENS.—I have lived on the track to New Guinea, and I have seen strong men of magnificent constitution return from the Possession absolute physical wrecks. The evidence is too strong for us to come to any other conclusion than that intermittent fever is a serious drawback to settlement in New Guinea. There was exactly the same experience when the tropical ports in Northern Queensland were first opened up. The first year I lived in Cairns I had malarial fever no fewer than three times, whereas now the sickness is almost unknown. It would appear that the fever is very prevalent at first, but afterwards disappears, and now, in New Guinea, there are the same conditions—though in an intensified degree—that prevailed in northern Queensland. There is a consensus of opinion that a drop of good spirits is a very good preventative of fever; and I cannot see why, under the circumstances, we should enforce prohibition. Even if I were in favour of the local option proposed—and I am not, because it is too limited, and to that extent a mere pretence—I should still say that we have no right to give the control of the liquor traffic to the small white population. We have no right to let a small number of people decide how there shall be controlled a traffic which may affect the interests of nearly half-a-million of black population. Bearing in view our enormous responsibility, which we cannot remove from our shoulders, to see that the coloured population are not cursed by an uncontrolled traffic in intoxicants, as the Australian aborigines unfortunately were, we have sought to lay it down as a hard and fast rule that the trade shall be conducted in such a manner as will safeguard the interests of the natives. I have no sympathy with milk-and-water, goody-goody people, who say that a man shall not be allowed to take a drop of drink. Sometimes drink is not only good, but exceedingly necessary. It is the abuse and not the use of drink which brings about all the disastrous results of which we hear. The proper use of drink never did any harm, and I have no sympathy with those who say that, because one man cannot get through life without the moral crutch of total abstinence, every one else shall be compelled to carry a crutch in order to keep him in countenance. I shall vote against this amendment of Senator Pearce, but I shall be exceedingly glad to support the subsequent amendment in favour of State control.

Senator FRASER (Victoria).—I am not in favour of the amendment proposed by Senator Pearce, because I believe that liquor in such countries as New Guinea is very injurious. I admit that liquor in moderation may be beneficial to a slight extent, but my experience in Queensland, in the years 1865 to 1867, when I had malarial fever very bad, led me to the conclusion that but for my sobriety I should have suffered a great deal more.

Senator GIVENS.—The honorable senator cannot say that.

Senator FRASER.—I knew heavy drinkers who were engaged on the same property, and they were made perfect wrecks by the fever. I, myself, was so bad that, as sure as 3 o'clock in the afternoon arrived, I had to lie up.

Senator WALKER.—Did the honorable senator find quinine any good?

Senator FRASER.—I found quinine infinitely better than brandy for the fever.

Senator GIVENS.—As a fact, hard drinkers rarely suffer from malarial fever.

Senator FRASER.—It is an absurd proposal that officials shall be created to retail liquor. This is the thin edge of the wedge towards securing State control of everything. I do not believe in State management of the liquor, or any other industry. If the liquor sold is bad, as I believe, in many cases, it is, let there be a law that all drinks shall be wholesome and sound. Indeed, that is already the law, and it ought to be enforced.

Senator GIVENS.—Is that not State control to an extent?

Senator DE LARGIE.—Has that law been a success?

Senator FRASER.—I think so; bad liquor is not allowed to be sold in Victoria.

Senator GIVENS.—But some retailers do sell bad liquor.

Senator FRASER.—I think that the liquor sold is good on the whole, though I remember when much of it was poison. We have not to be so careful now as to what we drink, as we were forty or fifty years ago.

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Senator DE LARGIE.—It is comparatively easy to control the traffic in a community like that of Melbourne.

Senator FRASER.—Yes; there would be much more difficulty in a country where the State officials would live by the trade. A large percentage of the white residents of New Guinea now live by the trade, and yet it is proposed to increase the facilities for the sale of drink. State control does not succeed, except in such cases as that of the Post and Telegraph Department and so forth.

Senator DE LARGIE.—State management of the liquor traffic has been an unqualified success in Western Australia.

Senator FRASER.—That may be so. If the population be large enough, and there is a State hotel, I do not say that success may not follow, seeing that there is no inducement to push the sale.

Senator DE LARGIE.—That is the kernel of the whole affair.

Senator FRASER.—Are we to create a number of public servants to vend liquor to a sparse population like that of New Guinea? Under clause 22, no liquor can be supplied to the natives; and that is a matter with which we are more concerned than we are with its sale to the whites. The few whites may legislate for themselves, through their Council, and this Bill is not like the law of the Medes and the Persians, but can be altered if it does not work well. To some extent, I agree with Senator Playford that we might leave well alone. The present system has worked very satisfactorily, and we ought not to rush to extremes. We are taking over the whole of this country; and, in regard to land legislation, it is not too much to ask that 10 per cent. of the land revenue shall be devoted to providing, as it were, old-age pensions for the natives. I hope that Senator Pearce's amendment will not be accepted.

Question—That the words proposed to be inserted be inserted—put. The Committee divided.

Ayes	... ...	11
Noes	... ...	13
Majority	... ...	2

AYES.

Croft, J. W.	McGregor, G.
de Largie, H.	Pearce, G. F.
Guthrie, R. S.	Story, W H.
Henderson, G.	Styles, J.
Higgs, W. G.	*Teller:*
Matheson, A. P.	Clemons, J. S

NOES.

Baker Sir R. C.	Playford, T.
Dobson, H.	Smith, M. S. C.
Fraser, S.	Stewart, J. C.
Givens, T.	Symon, Sir J. H.
Gould, A. J.	Turley, H.
Keating, J. H.	*Teller:*
Neild, J. C.	Drake, J. G.

PAIRS.

Findley, E.	Gray, J. P.
O'Keefe, D. J.	Mulcahy, E.
Macfarlane, J.	Walker, J. T.

Question so resolved in the negative.

Amendment negatived.

Senator PEARCE (Western Australia).—I move—

That the blank in the clause be filled by the insertion of the following words:—"Intoxicants may be purchased, imported into, manufactured, and sold in the Territory only by the Lieutenant-Governor, or by officers duly appointed in that behalf, and under regulations and conditions to be prescribed by the Lieutenant-Governor relating to the purchase, importation, manufacture, and sale thereof.

No person other than as provided in the immediately preceding paragraph shall import into, manufacture, or sell in the Territory any intoxicants.

Penalty: £100.

Intoxicants for the purposes of this section shall mean any wine, spirits, ale, beer, porter, cider, perry, or other spirituous or fermented liquor of an intoxicating nature."

Senator PLAYFORD.—The reference should be not to "officers" duly appointed, but to persons duly appointed.

Senator PEARCE.—This provision would secure State control of the importation, manufacture, and sale of liquor in the Territory. I would point out in answer to Senator Playford that to be an "officer" of the Government, a person need not necessarily be permanently employed by the Government, or his time need not necessarily be wholly taken up by Government work. In the Commonwealth we have non-official postmasters who are still referred to as officials of the Department.

Senator PLAYFORD.—They are contractors.

Senator PEARCE.—They give a portion of their time to the Government service, and they are recognised as officials. There are also State officials who give a portion of their time to the service of the Commonwealth, and they are considered Commonwealth as well as State officials. I contend that if any person is appointed by the Lieutenant-Governor to conduct the sale of liquor under this provision he will for that purpose be an "officer." I am reminded

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by Senator Croft that officials under the electoral law are very often town clerks and persons following all sorts of occupations, apart from the ordinary Government service.

Senator Lt.-Col. NEILD (New South Wales).—I believe that this clause requires to be more clearly defined. I understand from Senator Smith, whom we all regard as the one authority on New Guinea, and, indeed, on the South Pacific generally, to whom we can refer for information, that the natives of the Territory have a playful little way of making tipple for themselves. It is probably not palatable to white men, or otherwise visitors from Australia would not require to take a couple of cases of whisky with them. I wish to know how this provision will affect the manufacture of native drink. I do not know whether these drinks are dangerous or harmless, but it seems to me that the amendment is of so sweeping a character as to include these native manufactures. It will be quite impossible to check the manufacture, and if that be so, we shall by this provision be merely manufacturing a crime, and increasing the number of New Guinea criminals to an alarming extent by the inclusion of the making of the native beverages to which I have referred. I should like Senator Pearce to so draft the amendment as to cover the liquors which civilized people understand rather than these possible or impossible native beverages. In all good faith I suggest to the honorable senator that we shall be running a risk of creating a great difficulty if,a s a result of this provision, we penalize the manufacture of native beverages, which has been going on for an unknown number of years.

Senator PEARCE.—The honorable senator will find that I have defined "intoxicants."

Senator FRASER.—Why should we interfere with what has been going on for centuries?

Senator Lt.-Col. NEILD.—That is what I suggest. However desirable it may be to regulate the sale of liquors known to white people, I protest against the inclusion of the little odds and ends of drinks which the natives of New Guinea have been accustomed to manufacture since before we had any knowledge of the Territory.

Senator Sir JOSIAH SYMON.—There are one or two difficulties connected with this provision to which I think attention should be directed. There is a great deal of force in Senator Playford's suggestion with respect to the use of the word "officer." Senator Pearce proposes to provide that intoxicants may be purchased, imported into, manufactured, and sold in the Territory only by the Lieutenant-Governor, or by officers duly appointed in that behalf. But, as Senator Neild has said, the manufacturer might be a native, and why should the distiller of a native liquor be a Government officer? Why should the distiller of any liquor be a Government officer?

Senator GIVENS.—Because we are proposing a Government monopoly of the business in New Guinea.

Senator PEARCE.—Captain Barton says that the native liquors are not of an intoxicating character.

Senator Sir JOSIAH SYMON.—I do not wish to go into that. Many good people used to contend that cider was not intoxicating, but that idea has been exploded for a very long time. I have no personal knowledge of the effects of these native beverages. We know that spirits may be distilled from a very great variety of materials, and surely it is not contemplated that persons engaged in distillation in every part of New Guinea shall be Government officers. Difficulties at once arise when we attempt to deal in a comprehensive way with what are really matters for internal regulation. Honorable senators should pause before they consent to adopt this method of introducing in New Guinea a system akin to the Gothenburg system. These proposals should not be dealt with in a hurried way. They require very careful consideration as to details before they can be satisfactorily carried out.

Senator GIVENS.—The New Guinea Government will carry out the details.

Senator Sir JOSIAH SYMON.—Yes, but it is proposed to shackle them in a certain way. I assume that it is intended that revenue shall be derived, and I remind honorable senators that under the proposal the importation of intoxicants is to be the duty of the Lieutenant-Governor, or of officers authorized by him. It is intended to have no licensed persons but Government officers.

Senator PEARCE.—The Government will get a profit instead of the duty.

Senator Sir JOSIAH SYMON.—There is a broad principle that the Crown is not liable for Customs duties, and the first consideration which strikes me is that, if the Crown is to be the sole importer of liquor, there will be no revenue for the Territory.

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Senator Lt.-Col. NEILD.—The Crown could sell liquor at a profit.

Senator Sir JOSIAH SYMON.—The profit would be an entirely speculative amount.

Senator PLAYFORD.—It is not sold at a profit in Western Australia, where the system is at work.

Senator PEARCE.—A profit is made on the sale of the liquor.

Senator Sir JOSIAH SYMON.—I am not prepared to go into that question. We have to consider a great variety of things before we can say that the profit will be equal to the duty. For instance, we have to consider the climate. The Government officers who are dispensing the liquor may suffer from sickness occasionally, perhaps frequently, and they may——

Senator FRASER.—They may drink it themselves.

Senator Sir JOSIAH SYMON.—I would not make that suggestion. Are we to set a *posse* of Government police to watch the sellers of Government liquor?

Senator GIVENS.—The Government will know the quantity of liquor to be sold, and the selling price.

Senator Sir JOSIAH SYMON.—How do we know what the selling price will be?

Senator STANIFORTH SMITH.—It will be fixed by ordinance or regulation.

Senator Sir JOSIAH SYMON.—It may be fixed by ordinance or by regulation. Are we prepared to do away with a portion—and I suppose a substantial portion—of the revenue without being assured that there will be some compensating return? All this business has to be carried out under regulations and conditions to be prescribed by the Lieutenant-Governor, and the Legislative Council is not to have any say in the matter. Personally, I am in favour of some system of Government control, like the Gothenberg system, but there are two systems of Government control. If this system is to be introduced in British New Guinea it will have to be the subject of very exhaustive and careful legislation. We are asked by means of one clause practically to provide for the Government being liquor monopolists in a country which requires revenue. The Government should not make a large revenue if they take control of the trade; they should supply liquor at the highest quality at the lowest possible price. But all these are questions which we are not in a position to deal effectively with in this amendment. We shall be wise in viewing this amendment from that stand-point, as we viewed the other amendment, and if the Legislative Council likes to adopt this system it can. It must be remembered, too, that the Territory has very excellent ordinances on this subject, and that the Commonwealth Parliament may at any time change the law. The enactment of this clause is not absolutely final.

Senator GIVENS.—If it is a good thing, why delay its adoption?

Senator Sir JOSIAH SYMON.—If it is a good thing, and we have all the necessary details to enable it to be effectively carried out in a new country, with a small, scattered population, I quite agree with my honorable friend; but I do not think we have the material at our command, and it will be quite competent for us to deal with the subject on another occasion.

Senator GIVENS (Queensland).—The Attorney-General says that Papua is a new country with a very scattered population, that we have not the requisite data to enable us to legislate, and that therefore we ought not to make this experiment at this moment. I understand that in Western Australia the State hotel is conducted in a back block township named Gwalia, where the population is somewhat scattered. Private control has been responsible for 99 per cent. of the evils which are associated with the drink traffic. The State would have no interest in encouraging citizens to ruin their constitution by, and waste their substance in, a wholesale consumption of liquor. It would have no interest in making an illegitimate profit by palming off the vilest compounds upon its citizens.

Senator FRASER.—The retention of their billets may depend upon the officers making a trade.

Senator GIVENS.—I believe that the billets would be far safer if the officers allowed no evils to creep in. There are about twenty licensed premises in the Territory. There is nothing to prevent its Legislature from making an ordinance to take over the hotels on equitable conditions or starting State hotels.

Senator DRAKE.—I thought that they were chiefly licensed stores.

Senator GIVENS.—They are premises licensed for the sale of liquor. In thousands of cases a hotel is combined with a store. I have been in hundreds of such places in the back-blocks. It would be entirely against the interest of the State to encourage the excessive use of intoxicating

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liquor. The State would be mainly interested in seeing that only good liquor was supplied, and that no person was allowed to take too much of that good liquor. Although there are good men engaged in the hotel trade, still there are many hotel-keepers who offer every possible inducement to men to spend their money and drink liquor to excess. In many cases dancing saloons are carried on in connexion with hotels, for that very purpose. I have known hotels which were little better than gambling houses. Any one who has travelled through Australia with his eyes open must have witnessed the hundred and one evils which are associated with private hotel-keeping. I admit that the majority of hotel-keepers desire to conduct the trade in a fair and legitimate way, but we all know that nine-tenths of the evils connected with the excessive use of liquor have arisen from the desire of unscrupulous hotel-keepers to make as big a profit as possible. The only remedy for this condition of things is State control. It must be acknowledged that the State would have no interest in making an inordinate profit. Its duty would be to see that the citizens did not indulge in the excessive use of liquor, and that they were supplied with good liquor. I believe that State control is the only effective means to protect the natives in Papua from the curse of the liquor traffic. We know that in a new country the health of the white population is very often ruined by the vile concoctions which are palmed off by private enterprise as good, wholesome liquors. In nine cases out of ten the vilest possible concoctions have been sold in a back-blocks town or a new place in order that the vendors might reap an inordinate profit It is so to-day; and so long as liquor is sold for private gain, so long will these vile adulterated compounds be passed off as good drink. The only effective remedy is for the State to take control. This is not an original experiment. It has already been tried in Australia, and for many years in other countries. It has proved a success, and I believe it will prove to be equally successful in British New Guinea. In the interests both of the white and of the coloured population, we should agree to this proposal. It will have the effect of protecting the coloured population to a very large extent indeed, and incidentally of protecting the white population from the inroads made upon their health by vile concoctions sold as good liquor.

Senator DE LARGIE (Western Australia).—There seems to be some confusion of thought as to the working out of the details of this proposal. But, as I have previously pointed out, there has been an experiment in Western Australia where a State public-house has been a working concern for over twelve months. Surely we can benefit from the experience thus gained. It has to be remembered that the revenue cannot suffer from the adoption of this proposal. In Western Australia the keeper of the State hotel has to pay the ordinary duty on his liquors, and the ordinary licence-fee. He pays £70 per annum for his licence, and no concession is made to him in the way of duty. I am speaking as one who for some days lived in the Gwalia hotel, and while there took advantage of the opportunity to learn how it was worked. Before the establishment of the Gwalia hotel the place was a source of considerable expense, owing to the police force that had to be maintained. There were sly grog-shops in all directions, from which the Government derived no profit, except, perhaps, in the way of revenue duties on liquors. Indeed, my own opinion is that the liquor consumed paid scarcely any duty whatever, because it was made on the premises. Surely in the face of this experience it cannot be doubted that a State experiment in British New Guinea will be a success. Let me give some account of the financial results of the Gwalia hotel for the first year. The total profit was £588. It would have been considerably more, except that there was a loss on the domestic part of the establishment, due, I believe, to the fact that the requirements were not quite as great as the hotel manager thought they would be. A very lavish building was erected, and the furnishing of the place was on a scale not equalled in any hotel out of Perth. Indeed, very few hotels in Perth are furnished on the same lavish scale as is this hotel. Consequently a staff of servants has to be maintained to look after the establishment. The following paragraph shows the financial results for the first year:—

On the profit side the total receipts from the sales of wines, beers, &c., amounted to £5,416 1s. 1d. Deducting from this amount—Expenditure, £4,369 15s. 3d.; less stock on hand, £369 11s. 1d., and there remains a balance profit of £1,415 16s. 11d. The total profits on billiards amounted to £24 3s. 8d., making a total profit on the sale of wines, beers, spirits, and billiards of £1,440 0s. 7d. Deducting from this the loss on the house account, £851 4s. 3d., and there

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remains, as previously stated, a balance of profit, exclusive of depreciation, of £588 16s. 4d.

Senator PLAYFORD.—Do they pay rent?

Senator DE LARGIE.—They pay interest on capital. The same price for drinks is charged to customers as is charged in other hotels. There is no unfair competition in that respect. But there is another aspect of the question to be considered apart from £ s. d. We must remember that the moral effect upon the community has been of far more value than is represented by the profit. There has been a great saving to the Government in respect of maintaining "men in blue" to keep order in the town. We need have no doubt as to the wisdom of carrying out this experiment.

Progress reported.

CONCILIATION AND ARBITRATION BILL.

Bill returned from the House of Representatives, with a message intimating that it had disagreed to the Senate's amendments in clauses 4 and 40, and agreed to the Senate's amendment in clause 55, with an amendment.

Motion (by Senator Sir JOSIAH SYMON) agreed to—

That the Standing Orders be suspended to enable the House of Representatives' message to be considered and all consequent action taken.

In Committee (Consideration of House of Representatives' message):

Clause 4—

In this Act, except where otherwise clearly intended . . . "Industrial dispute" means a dispute in relation to industrial matters . . . but it does not include a dispute relating to employment in any agricultural, viticultural, horticultural, or dairying pursuit.

"Industry" means business, trade . . . excepting only persons engaged in domestic service, and persons engaged in agricultural, viticultural, horticultural, or dairying pursuits;

Senate's Amendment.—Leave out—"but it does not include a dispute relating to employment in any agricultural, viticultural, horticultural, or dairying pursuit."

House of Representatives' Message—Amendment disagreed to, because—

1. Rules which could be applied by an Arbitration Court in the case of organized trades working under similar conditions, though in different parts of the Commonwealth, could not be applied to rural industries, whose conditions vary widely, not only in the same branches of rural industry, but also in different localities throughout the Commonwealth.

2. The likelihood of industrial disputes extending beyond the limits of any one State in the case of such industries is remote.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I feel sure I may take it that we shall approach the consideration of this message with the earnest desire, which I think prevails on all sides, to see this Bill, if possible, placed on the statute-book this year. If we do approach the matter from that stand-point, there will not be any very great obstacle to the course which I intend to suggest to the Senate. Nor do I think it will be necessary for me to make a long speech, because, so far as regards the amendments which were made by the Senate, and as regards the provisions of the Bill with which they are associated, the subject was fully and exhaustively debated by us with an earnestness, and, I think I may say, an absence of passion or heat, worthy of the subject and of the Chamber. It would serve no good purpose, to my mind, to re-open those questions which were then so thoroughly dealt with; and, therefore, I propose to confine myself to one or two short reasons for the course I propose to commend to the Senate. In the first place, I may shortly remind honorable senators of the position. The Senate made four amendments in the Bill, the first of which is the one immediately under consideration. For shortness, we may refer to that amendment as that which excludes employés in rural industries from the operation of the Bill.

Senator GIVENS.—That is not a fair description all the same.

Senator Sir JOSIAH SYMON.—The second amendment, which was in the same clause, struck out the exception of persons engaged in domestic service, and, the consequential exception of "persons engaged in domestic service, and persons engaged in agricultural, viticultural, horticultural, or dairying pursuits." That amendment may be referred to as the domestic service amendment. The third amendment is in clause 40—that highly debatable provision with regard to preference. That provision involves, I think, more than that relating to domestic service and rural industries; it involves a grave question of very radical policy. The amendment that was made by the Senate was the striking out of the following proviso:—

And provided further that no such preference shall be directed to be given unless the application for such preference is, in the opinion of the Court, approved by a majority of those affected by the award who have interests in common with the applicants.

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The fourth amendment was in clause 55, and had reference to the proviso that no preference should be given to any organization which permitted its funds to be used for political purposes, or which required its members to "do anything"—I think those were the words—of a political character. The amendment which was moved by Senator Pearce, was to insert the following proviso:—

And further provided that no organization shall be entitled to appear before the Court to oppose an application for preference by any organization, so long as its rules or other binding decisions permit the application of its funds to political purposes, or require its members to do anything of a political character.

That amendment was accepted by the House of Representatives, which, however, attached a further amendment dealing with the definition of "political purposes." The amendment made by the House of Representatives in the form of an addition to the Senate's amendment, was the insertion of the following:—

"Political purposes" in this section does not include obtaining or maintaining provisions applying to all persons in any particular industry, whether discrimination as between those who are and those who are not members of an organization, with respect to the regulation of the following matters:—

I. Preservation of life and limb.
II. Compensation for injuries or death.
III. Sanitation.
IV. The sex and age of employés.
V. The hours of labour.
VI. The remuneration of labour.
VII. Protection of salaries and wages.
VIII. Other conditions similarly affecting employment.

That is a very large concession.

Senator Lt.-Col. NEILD.—It is practically unlimited.

Senator McGREGOR.—But it is a reasonable concession.

Senator Sir JOSIAH SYMON.—I appreciate the view taken by Senator McGregor; but I regard this as a concession of a very considerable nature, to say the least of it.

Senator MULCAHY.—It is practically an abandonment of the clause.

Senator Sir JOSIAH SYMON.—It is a concession which I do not myself personally view with favour, and the acceptance of which I feel could only be justified by a sufficiently adequate concession, if it be one, on the other side, in order to insure the passage, without delay, of the Bill.

Senator Lt.-Col. NEILD.—It would not be so objectionable if No. 8 were omitted.

Senator Sir JOSIAH SYMON.—I quite appreciate my honorable friend's criticism, and I shall have a further word to say upon it. Having thus shortly summarized the message, I shall indicate to the Committee the course I propose to take. I shall ask the Committee, in the first place, not to insist upon amendment No. 1—the amendment which had the effect of including the employés in rural industries within the operation of the Bill. I shall also ask the Committee not to insist upon amendment No. 2, including domestic servants. With regard to these amendments, I do not believe there is any room for hesitation on the part of my honorable friends opposite. I think that they should at once agree that we should not insist upon those amendments.

Senator GIVENS.—The honorable and learned senator asks us for a great concession; what is he prepared to give in return?

Senator Sir JOSIAH SYMON.—Honorable senators opposite are asked to make no concession in connexion with these two amendments. The matter was very fully discussed, and honorable senators will recollect that it was generally conceded that there are no organizations amongst these particular classes of employés, that if the Bill came into operation to-morrow there would be no such organizations to be dealt with, and that therefore the provision including them would not be operative. It has been conceded that in the natural order of things no one can say that there is any reasonable probability that unions of these employés will be formed at any early date. There is the fact to be remembered that in the Bill, as it came up to us, there was a distinct declaration that domestic servants and those engaged in rural industries should not be included. The Bill contained, so to speak, a placard upon each of those matters announcing that these two classes of employés were not to be included in its operation. As was to be expected, strong feeling has been excited, and has found expression in resolutions by various bodies concerned with these particular occupations against the withdrawal of what I call the placard, and against the inclusion of these employés in the Bill. When the Bill came up to us they were excluded, and for uniformity sake we thought the formal exclusion should be eliminated. The measure has now come back to us with the exclusion insisted upon by the House of Representatives. I feel that there is no room for argument against the position taken up on these

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matters by the House of Representatives, and, as I have intimated, I shall be prepared to move that these amendments of the Senate be not insisted on. Amendment No. 3 is that upon the clause referring to preference. This is a matter on which honorable senators opposite would do well to reconsider their position and make a concession. It is a very radical and vital matter in the Bill. If there is to be any concession or conciliation on the other side, the only scope for it is in relation to this particular clause. On the one hand there is a clause providing for preference, which merely affirms what every Court has already affirmed, and what every one has admitted is the principle acted upon by every Court, namely, majority rule. On the other hand, amendment No. 4 deals with an important matter which was introduced in another place, and it represents a very vital concession to be made by the other side. So far as any question of concession, compromise, or conciliation, is concerned, it must lie between amendments Nos. 3 and 4; on our side, if we agree to it, in relation to amendment No. 4; and on the other side, if honorable senators opposite agree, in relation to amendment No. 3. These are the two points within which this matter must oscillate. As to amendment No. 3, I again remind honorable senators that the proviso with which that amendment deals, was introduced in the House of Representatives, and that its introduction was fatal to the Watson Government.

Senator GUTHRIE.—No. It was the question of going into Committee to reconsider it.

Senator Sir JOSIAH SYMON.—It was the introduction of that proviso which was fatal to the Watson Government. Honorable members in another place, for good or bad reasons, were so strongly opposed to unrestricted preference, as to refuse to recommit the Bill in order that this amendment should be reconsidered. So strongly was the other House opposed to preference, as originally provided for in the Bill, that it amended the original provision by agreeing to what is known as the "McCay amendment," and when it was sought to have the Bill recommitted for the purpose of reconsidering that amendment, the House of Representatives refused to accede to this request, and the Watson Government accepted that refusal as fatal to its existence. In the Senate, in the exercise of our just constitutional rights, we considered the whole matter, and in our wisdom, by a majority of three, we said that we wished to have dropped out the proviso, which had been affirmed and reaffirmed by the other branch of the Legislature. We sent the Bill down to the House of Representatives with that proviso struck out, and the House of Representatives has sent it back to us again, affirming for the third time its insistance upon that proviso.

Senator McGREGOR.—Practically, only for the second time. The honorable and learned senator should not count the division on the motion for the recommittal of the Bill.

Senator Sir JOSIAH SYMON.—I do count it. I am merely relating what appears to me to be the history of the matter, and I am sure my honorable friends opposite will not misunderstand me. There are only the two matters upon which we can bring our minds to bear in relation to concession, the amendment No. 3, on the one hand, and the amendment No. 4 on the other. With all due deference to Senator McGregor, I must count the division on the motion for the recommittal of the Bill, because that was the strongest affirmation of the proviso, though it was by a reduced majority.

Senator GUTHRIE.—A catch majority.

Senator Sir JOSIAH SYMON.—It was a reduced majority, because of the desire, certainly of one honorable member, that an opportunity should be given for the recommittal of the Bill, in order that the proviso might be further considered, with the intimation by him that he would repeat the vote he had previously given. I shall not complain if Senator McGregor takes a different view; but that is the history of the matter dealt with by amendment No. 3, as I view it. I therefore say that in my judgment, the House of Representatives has three times emphatically repeated its decision upon this question. As I have said, in our wisdom we expressed the opinion that the matter should be reconsidered by the House of Representatives—that has been done—and the House of Representatives has re-affirmed its decision. I shall be prepared to move that in this instance also, our amendment should not be insisted on. I appeal to my honorable friends opposite if they desire, as I believe they do, to have on the statute-book this Bill, affirming and giving effect to the principle of compulsory conciliation and arbitration with reference

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to disputes of this particular character, not to persist in their amendment cutting out this proviso, and not to obstinately take up the position that they have any hope whatever that the House of Representatives will yield on amendment No. 3.

Senator McGREGOR.—We are always conciliatory.

Senator Sir JOSIAH SYMON.—I entreat my honorable friends to look at the matter from that aspect now. We desire to have this Bill passed if possible, and, looking at the history of the matter as I have ventured briefly to detail it, there is not the slightest hope of altering the thrice repeated determination—the last time at our invitation—of the House of Representatives upon this particular proviso; but there is a possibility that by persistence we might—and I should deplore it—imperil the Bill. I do not wish to dwell upon the point or to say one word more on the merits of the matter. My views and the views of the Government have been sufficiently expressed. I have therefore nothing to say now that can be considered inflamatory in connexion with it, or upon the merits one way or the other; but I remind honorable senators that the testimony is overwhelming, that every Court acts, and has acted upon the principle of majority rule in these matters. An effort was made to shift the onus of proving the majority on to the unorganized workers. It was dropped in this Chamber; it failed in the other House; but, as to the principle of majority rule, there has never been a dissentient, and the only question is whether we should record in the Bill that principle. I admit, as I did before, that there is a great deal in the question. As the Courts have laid down the rule, let us not leave it unwritten. But if it is merely a question of having a written rule embodied in the Bill, one which, if it worked wrongly or mischievously, we could alter at any time —is it worth while to jeopardize the measure for the sake of leaving unwritten that which we admit to exist, and refusing to put it in written language on its face? I do not view amendment No. 4 with favour. It is a principle which Senator Matheson, in substance, with one difference, that I shall point out, sought to introduce. And if I had not felt strongly that it was an evil to introduce it——

Senator MATHESON. — "A mine of the most deadly character under the whole scheme."

Senator Sir JOSIAH SYMON.—I do not think that my honorable friend need remind me of the language I used. I do not qualify one word of it.

Senator MATHESON.—I feel sore over it.

Senator Sir JOSIAH SYMON. — My honorable friend may well be content with what I am saying on the subject. I am putting it, I think, with sufficient strength. The fact that I resisted an amendment moved by a personal and political friend shows that I did feel strongly on the subject, and nothing but a sense of duty would have induced me to take that course. There is this difference, that amendment No. 4 is applicable to unionists and non-unionists.

Senator MATHESON.—I made no discrimination.

Senator Sir JOSIAH SYMON.—I am not criticising my honorable friend's amendment now.

Senator MATHESON.—The honorable senator said there was a difference.

Senator Sir JOSIAH SYMON.—There is a difference; but my honorable friend did not put that in.

Senator MATHESON.—No, nor did I discriminate. I left it open.

Senator Sir JOSIAH SYMON.—I am not suggesting that my honorable friend had not all this in his mind. I am merely saying that there is that difference in the language of the amendment. It was intended to have an effect. When Senator Pearce moved his amendment originally on the same clause, it had applicability merely to preference asked by employés, and when the fact was pointed out that there was an element of inequality, my honorable friend with the prudence and moderation which he always shows, promptly altered his amendment as to make it apply to both sides, and, I presume, very likely with the result that it was carried, also against my opposition.

Senator WALKER.—He got my vote.

Senator Sir JOSIAH SYMON.—We all know that my honorable friend's vote was a valuable possession to Senator Pearce at the time. Whatever the effect of it may be, probably the same desire for equality has been introduced in express terms into the amendment by the other House, and it has been sent up to the Senate. The Government feel that it is a large concession for them to make, and my honorable friends have the preference clause to deal with. I entreat my honorable friends not to go to

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extremes; but to take a step forward to us on the one hand, whilst we take a very large step towards them on the other. Therefore, I shall move that amendment No. 3 be not insisted upon, and that we agree to amendment No. 4, in the spirit in which I have mentioned, and which I feel satisfied will prevail amongst honorable senators. I do not wish to suggest a curtailment of discussion, but I hope that it will be limited to those two questions. Certainly if there is the one concession, honorable senators should not hesitate to accede to the other.

Senator PEARCE.—The honorable senator only gives them half a dose, and he gives us a full dose.

Senator Sir JOSIAH SYMON.—I do not understand that. If my honorable friends succeed in insisting on the amendment as to majority rule, and they also get the amendment No. 4, they will have got everything under this Bill, and conceded nothing. It will really be a case of the daughter of the horse leech over again, "Give, give." In the first place, we must deal with amendment No. 1, and I move—

That the amendment be not insisted on.

Senator McGREGOR (South Australia).—I desire to make a few remarks on the message from the other House. I agree with the Attorney-General that there has been a very effective debate here on the principles embodied in the Bill. But I do not share his opinion with regard to the concessions which he says have been given to this side of the House. We made four amendments in the Bill, and failed to make two others. We thought it was a very good concession we made in connexion with the legal profession, and also in regard to an amendment of very vital importance which Senator Pearce moved. I am always willing to listen to any arguments which may be advanced, but the Attorney-General is making the position too strong, so far as he is concerned, when he says that this question has been decided three times in another place. We have no knowledge of what has been done there. We only know that the Bill has come twice to the Senate. Does the Attorney-General think that we have exhausted all the possibilities in connexion with the Bill?

Senator Sir JOSIAH SYMON.—Hear, hear.

Senator PEARCE.—No.

Senator McGREGOR.—We have a perfect right to insist upon any amendment, and then, if the other House will not yield, it can request a conference.

Senator Sir JOSIAH SYMON.—A conference is only a substitution for a message.

Senator PLAYFORD.—But they can also drop the Bill.

Senator McGREGOR.—After the concession which was made yesterday, does my honorable friend think that the Government are likely to drop the Bill? Does not that incident show that they are just as anxious to see the Bill placed on the Statute-book as we are?

Senator Sir JOSIAH SYMON.—We have gone to the limit of concession.

Senator McGREGOR.—The honorable senator has made that statement a great many times, and yet he has consented to concession after concession, as his leader in another place will continue to do. We do not need to thank the Attorney-General for this concession. So far as he is concerned, it cuts against the grain, and is only adopted by him because it has been agreed to by the Government. I am sure that he will not expect the Labour Party to be grateful to a smaller section of the Government in the Senate for what has been granted by the larger section of the Government in another place.

Senator Sir JOSIAH SYMON.—There is only one Government.

Senator McGREGOR.—Yes; but it is a coalition Government, and we do not know which half has made the biggest concession. I propose to state the position which we are prepared to take up, and I trust that we shall be supported by those who have already given us that reasonable support which we had a right to expect from liberal democrats. With respect to amendments Nos. 1 and 2, we fought a good fight, so that no invidious distinction should be made in respect to any section of the labouring or employing classes.

Senator MULCAHY.—But the honorable senator did not stick consistently to that principle.

Senator McGREGOR.—We stuck to the principle as consistently as we could. It is urged by their friends that the farm labourers and the dairymen are not fit to take their place with the other industrial classes, and that, like the Papuans, they are to be regarded as children

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who should receive special consideration. I do not think that the farm labourers and dairymen expect or desire any consideration. The Attorney-General has stated that in different parts of the country resolutions have been carried against the inclusion of this class of industrial workers in the Bill. I have heard of a good many cases where gentlemen belonging to a district council called a meeting, consisting of a couple of men and a dog. I am not going to say whether the men or the dog had the more sense. This meeting came to a certain conclusion, and it was sent out to the world as the opinion of the dairy farmers of Australia. Probably they had the dog there to keep the sensible portion of the community out of the meeting.

Senator TRENWITH.—Or to add tone to the proceedings.

Senator McGREGOR.—Very likely. We refused to exclude those engaged in the dairying and farming industries from this Bill, for the same reason that we did not exclude the chimney-sweeps. They are not organized in a great association, but we did not think it necessary to leave them outside the scope of the Arbitration Court. We did not think there was going to be a strike amongst the lawyers and the doctors, but we did not exclude them. There are a thousand and one industries in the Commonwealth which will never be affected by legislation of this description, but which are not exempt from its operations. Yet we are told that we should exempt those engaged in the agricultural and dairying industries, because there is no possibility of this legislation affecting them. If that is so, where is the reason for alarm? We have always contended that if there is danger of a strike amongst such classes, this legislation should apply to them. If there is no danger, there can be no reason why it should not apply to them. The party with which I am associated are prepared to let the first two amendments go on the voices. Then we shall be in the same position as the "fair politicians" who are to be found in every Parliament of the world—men who say, "You know I am fair; I give twenty-two votes for the Government, and twenty-two for the Opposition." We are going to act a fair part by giving way on the first two amendments, and accepting the fourth. I have already intimated to the Attorney-General what our position is on the amendment of clause 40. We have not yet exhausted the machinery of Parliament, and it is unreasonable to ask us to give way until we have exhausted that machinery on a point which we consider to be so vital to the Bill. The Attorney-General tells us that the amendment agreed to by another place in connexion with clause 55 concedes so much to our side that we ought to be able to take anything else that is put in the Bill. That is like telling fifty hungry men on the far side of a great chasm that if they cross over they will find plenty to eat, when there are no means by which they can cross. That is our position. Clause 55, as amended, goes a long way in the direction at which we have been aiming, but we want to secure full political liberty in connexion with all matters. The Attorney-General must recognise that every Arbitration Act in existence in these States embodies the principle of preference. No one attempts to deny that organizations not only benefit the men who organize, but the community to which they belong. It must also be admitted that those who strive for their betterment by means of organizations should not be penalized, as they would be by those who have always been their enemies. If the Senate does not insist upon its amendment that will be the position in which unionists will find themselves, because this is a direction to the Court. The Court is bound to satisfy itself that there is a majority in favour of preference. It is asking the Court to do a thing which is far more difficult than to take a poll in Papua, in connexion with local option. If the Attorney-General and the Government were prepared to assist us in giving more power to the Court, it would be satisfactory. We do not want unconditional preference. We want the Court to be seized of all the facts. If the Court sees that some of those belonging to an organization may be prejudiced by the refusal of preference, it will be granted. If the Court sees that the granting of preference to a section of the workers will be injurious to any other section, it will be refused. That is the kind of preference we want. We wish to leave the determination to the Court. If the Attorney-General could assist us by proposing an amendment that would have that effect, we should not need to insist upon the amendment which the Senate made in the Bill. Otherwise there is no other course open to us. The Senate is in the peculiar

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position that this Bill was introduced in another place. It was sent up to us. It has been returned to us. According to our rules, usages, and Standing Orders, we have no right to ask for a conference in connexion with a Bill introduced in another place. Let us send back the amendment on clause 40, seeing that we have backed down on two amendments, and accepted a third. Let another place ask for a conference, and give us an opportunity to put something into clause 40 that will make the Bill workable. It will never be of any use to the industrial classes or the community otherwise. For these reasons, I hope that the Attorney-General will not oppose us in our insistence on the amendment submitted by the Senate in clause 40.

Motion agreed to.

Senate's Amendment.—Leave out—"excepting only persons engaged in domestic service, and persons engaged in agricultural, viticultural, horticultural, or dairying pursuits.

House of Representatives' Message.—Amendment disagreed to, because—

1. Rules which could be applied by an Arbitration Court in the case of organized trades working under similar conditions, though in different parts of the Commonwealth, could not be reasonably applied to the conditions of domestic service.
2. The likelihood of industrial disputes extending beyond the limits of any one State in the case of domestic service can scarcely be seriously regarded.

Motion (by Senator Sir JOSIAH SYMON) proposed—

That the amendment be not insisted on.

Senator GIVENS (Queensland).—I do not propose to call for a division, but I wish to say a few words on behalf of a class of people against whom there seems to be an inclination to make injurious distinctions by withholding from them the benefits of this legislation. We have no right to withhold it, and I believe that in the last resort we have no legal power to make distinctions between one class of the community and another. Why should we say to the domestic servants, "You shall not get the benefit of any legislation passed in behalf of other people in the Commonwealth"? When I moved the amendment which it is not proposed to insist upon, I admitted that domestic servants are in many instances much better off than girls employed in factories. Yet we must notice that from one end of the Commonwealth to the other young women seem to be disinclined to accept engagements as domestic servants. They prefer almost any other occupation. I ventured the opinion, and I adhere to it, that that is because of the injurious distinctions that are made against domestic servants as compared with other classes. They are looked down upon by the majority of the people, because they fulfil what are called menial duties. It is for that reason that domestic service has become so unpopular amongst our young women. My opinion has been fortified by what I have since learned. I can adduce a fact, which I know to be true from my own inquiries and observations, in Melbourne. I know that young women are prepared to go and perform exactly the same duties as domestic servants perform, for 3s. a week, if they are called "lady-helps," whilst they could earn 10s. a week if they were called domestic servants. I have been told of young women who have engaged themselves as lady-helps for 3s. or 3s. 6d. a week, but who have refused to accept engagements as domestic servants at 13s. a week.

Senator FRASER.—One case in ten hundred millions!

Senator GIVENS.—No, it is not. It is a fact for which I can vouch. Honorable senators can go to any registry office in Melbourne, and will find on inquiry that there are dozens of young women who will not accept appointments as domestic servants, but will engage themselves as lady-helps for lower wages.

Senator FRASER.—The honorable senator is quite mistaken; I know better.

Senator GIVENS.—I know from my own knowledge of a highly respectable family, who, because they had four or five children, found it absolutely impossible to obtain a domestic servant, but they could get as many lady-helps as they liked.

Senator Sir WILLIAM ZEAL.—Is that in Queensland or in Victoria?

Senator GIVENS.—In Melbourne.

Senator Sir WILLIAM ZEAL.—Nonsense; it is perfect rubbish.

Senator GIVENS.—I am speaking of what I know.

Senator FRASER.—The honorable senator does not know anything of the kind. He may think he knows.

Senator GIVENS.—It is a good thing that I can think. I can assure honorable senators that, to my personal knowledge, there are lady-helps performing for 3s. 6d. per week work which is, at least, as hard as that done by domestic servants for 10s. per week.

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Senator DOBSON.—What does the honorable senator propose to do?

Senator GIVENS. — Unfortunately, I cannot help myself; but I desire, if possible, to remove those invidious distinctions from which domestic servants suffer.

Senator Lt.-Col. GOULD.—This legislation will not assist lady-helps.

Senator GIVENS.—Lady-helps are domestic servants, no matter what the former may call themselves. There is a very false idea that the manual duties of domestic life are undignified; but if Lady Northcote could not get domestic servants she would have to do her own work, and there would be all honour to her for doing so. Why should mistresses and society as a whole look down on domestic servants?

Senator FRASER.—They do not.

Senator GIVENS.—Undoubtedly they do all the time.

Senator Lt.-Col. GOULD.—I think mistresses appreciate too much the value of domestic servants to look down on them.

Senator GIVENS. — They are appreciated as useful servants, and as useful servants only.

Senator FRASER.—Nonsense!

Senator GIVENS.—The very senators who say that there are no injurious distinctions, are in favour of a provision which imposes yet another. It is scarcely possible to conceive of a time when domestic servants will require an Arbitration Bill; and yet honorable senators opposite support a special provision to exclude such employés from the operation of the measure.

Senator Sir WILLIAM ZEAL.—Who has asked for the inclusion of domestic servants?

Senator GIVENS. — A more pertinent question would be, who has asked for their exclusion? We, on this side of the House, did not desire domestic servants to be mentioned, so that they might be included.

Senator Sir WILLIAM ZEAL.—The honorable senator ought to ask Mrs. Givens what she thinks about the matter.

Senator GIVENS.—I know what Mrs. Givens thinks without asking her, because she is as good a democrat as myself. We have no right to declare that any section of the community shall remain beyond the operation of any legislation we pass. If I had my way, not a single industry would be mentioned, either by way of inclusion or exclusion.

Senator TRENWITH.—If it has been determined that we shall not insist on the amendments, why continue the discussion?

Senator GIVENS.—I wish to enter my last protest. It is only by continual preaching that we are likely to ultimately induce people to agree to a particular course; and I live in hopes that all those invidious and injurious distinctions, to which I have referred, will be removed before I die. If the Bill is a good one it should apply to every individual.

Senator Lt.-Col. GOULD.—Is it a good Bill?

Senator GIVENS. — It undoubtedly would be a good Bill if it were made effective.

Senator Lt.-Col. GOULD.—Is it not effective?

Senator GIVENS.—Not at the present time, but I hope that before we have finished the Bill will be effective. In its peregrinations between the Chambers the Bill may ultimately assume the form we desire. If the Bill be a bad one, it should be abandoned. My hope is that in a very short time we shall be able to remove the invidious distinctions which press on domestic service and other classes of labour at the present time.

Motion agreed to.

Clause 40 (Minimum wage and preference for members of organizations).

Senate's Amendment. — Leave out—"And provided further that no such preference shall be directed to be given unless the application for such preference is, in the opinion of the Court, approved by a majority of those affected by the award who have interests in common with the applicants."

House of Representatives' Message.—Amendment disagreed to, because questions of preference in employment are of such vital importance to the people of the Commonwealth that they demand some such safeguard as that contained in the provision removed from the Bill.

Motion (by Senator Sir JOSIAH SYMON) proposed—

That the amendment be not insisted on.

Senator McGREGOR (South Australia).—I have no intention to repeat the arguments which have been used here so many times. I hope, however, that honorable senators will insist on this amendment, and thus afford another place an opportunity to reconsider a question which for the last six or eight months has been before another place, and there discussed in what, I am afraid, was an unreasonable way. In my opinion, too much heat and party feeling

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were exhibited in another place for there to be any hope of a reasonable conclusion. There are honorable senators who hesitate about insisting on this amendment, there being a fear on their part that the Bill may be thrown aside. But I do not anticipate the slightest danger from that quarter. I believe that if the Bill be sent back our amendment will be reconsidered, and that if an agreement is not come to, another place will ask for a conference of the two Chambers. Those of us who have had parliamentary experience know that Bills are sent backwards and forwards repeatedly, and that conclusions are arrived at which give satisfaction to both sides. We remember what was done in this Chamber in connexion with the Tariff.

Senator PEARCE.—And at the instigation of the present Attorney-General.

Senator McGREGOR.—That is so. I am sure that if the Attorney-General were in my position, he would do all he could to have this Bill reconsidered by another place; and it is to that end that I ask those who have hitherto supported the Labour Party in this matter to continue their support. I am sure that if they do so the final decision will prove satisfactory. I move as an amendment—

That the word "not" be left out.

Senator PEARCE (Western Australia). —I hope the Committee will adopt the amendment. I feel sure that uppermost in the minds of all friends of the Bill there is a feeling that the Senate should take such action as will result in the measure being placed upon the Statute-book. The only reason which can influence honorable senators to vote against the amendment is a fear that the Bill may be lost, and we ought to direct our inquiry to the question whether such an assumption is reasonable. If we send this Bill back to the House of Representatives, we shall be only taking a course well sanctioned by usage in this Chamber. No member of the Senate has had more experience in this connexion than the Attorney-General. When the Tariff was before us, the honorable and learned senator was leader of the Opposition Freetrade Party. Our requests for amendment were sent to another place, where some were rejected, and others accepted, either in their entirety or with modification. The honorable and learned senator acknowledged that there was need for a Tariff; but he did not then take the view that if the requests were insisted upon, the Bill might be rejected by another place. It was said in the lobbies that if the Senate did not bow to the House of Representatives the Bill would be rejected, and the responsibility would rest on us.

Senator Sir JOSIAH SYMON.—The question of rejecting the Bill did not arise; it was only a matter of the details of the schedule.

Senator PEARCE.—The question of rejecting or dropping the Bill was also discussed, but right throughout the honorable and learned senator urged the Senate to adhere to their requests, and it was only when he found that his majority was beginning to dwindle away that he was compelled to "climb down." There was another measure in which a similar course was followed. In that case messages passed more than once between the two Houses. Again, in connexion with the Commonwealth Electoral Bill, messages were passed four times between the two Houses on the provision allowing voters to vote at more than one polling-place, although the threats were then made that the Bill would be "hung up." What is the position now? Under our Standing Orders we cannot, at this stage, ask for a conference with the House of Representatives on this question. But the House of Representatives can ask for a conference with us, and I am told that there is a considerable number of honorable members on both sides in that House who favour a conference, to discover whether some *via media* cannot be arranged in connexion with this particular clause. Why should we wholly abandon our position; for that is what is proposed? If it be possible, why should we not endeavour to bring about a compromise on this question? The Attorney-General says that we should spike our guns and surrender unconditionally. There is a distinct majority of the members of the Senate in favour of preference without this qualification at all, and there is a still greater majority in favour of preference with some modification of this qualification. I am certain that the result of our insistence upon our amendment will be that the House of Representatives will admit the necessity of meeting us in conference on this question. As Senator Symon has said, the other House has met us in connexion with clause 55, in a spirit of compromise, and I venture to think that that House will meet us in this matter in the same spirit of a compromise, if we show that we are prepared to go half way.

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Senator Sir JOSIAH SYMON.—The honorable senator desires that the compromise should be all on one side. The compromise on clause 55 is all in favour of honorable senators opposite.

Senator PEARCE.—I am pointing out that, in order to secure any compromise, we must insist upon our amendment. If we abandon it there will be nothing on which to compromise. Will the Attorney-General say that the Government, without having exhausted all parliamentary forms, is prepared to abandon this Bill, if the Senate insists upon its amendment? I am sure the honorable and learned senator will say no such thing. He is aware, from what has been said on this side, that we are prepared to compromise on this question. Honorable members in another place are also aware of that.

Senator Lt.-Col. GOULD.—What kind of compromise are honorable senators opposite prepared to accept?

Senator PEARCE.—They are prepared to go half way between their present position and the clause as it stands in the Bill.

Senator Sir JOSIAH SYMON.—What does the honorable senator mean by half way?

Senator PLAYFORD.—"Substantially represents."

Senator Sir JOSIAH SYMON.—That has been defeated twice in another place.

Senator PEARCE.—I did not say that. That is put into my mouth. I say that we are prepared, as a compromise, to accept some qualification of this provision with respect to a majority. What that qualification will be it should be for the conference to arrange.

Senator Sir JOSIAH SYMON.—Let us have a new Bill next year.

Senator PEARCE. — Why should the majority in the Senate abandon the position altogether while there is a legislative way by which we can further deal with the question? Are the Government in earnest? Do they desire that this Bill shall be passed?

Senator Sir JOSIAH SYMON.—Hear, hear.

Senator PEARCE.—Then, if they do, let me remind the Attorney-General that they have not yet reached the last ditch. When our amendment is returned to the House of Representatives the Government can suggest a conference, and can still hold to their position.

Senator Sir JOSIAH SYMON.—The honorable senator desires to re-open all the fighting in another place.

Senator PEARCE.—Certainly not.

Senator PLAYFORD.—Unfortunately for us, the Bill would then be in the other House, and we should have no command of it.

Senator PEARCE.—I agree with that, but I remind Senator Playford that the members of the Government have said that they are anxious to put this Bill on the Statute-book. If they are in earnest, and if by securing a conference with the Senate on this question, they can put this Bill on the Statute-book, they will take steps to do so.

Senator PLAYFORD.—They can do that without a conference.

Senator PEARCE.—Not unless the majority in the Senate is prepared to stultify itself, and go back upon its previous decision. I ask why we should go back while there is another resource, and when the members of the Government who profess to be in earnest can do something else?

Senator MULCAHY.—Does the honorable senator believe that a conference would change a single vote?

Senator PEARCE.—I think that it would. Instead of asking the Senate to go back upon what it has done, the Government might ask the Senate to go half way back, and might ask the House of Representatives to come half way to meet the Senate.

Senator Sir JOSIAH SYMON.—How can the Government do that when they took office on this amendment?

Senator PEARCE.—They did not.

Senator PLAYFORD.—The Watson Government went out on this proviso.

Senator PEARCE.—They did not. They went out because the business of the House was taken out of their hands.

Senator PLAYFORD.—That was on this matter.

Senator PEARCE.—The Watson Government went out on the refusal to agree to a motion submitted by Mr. Watson that the House of Representatives should recommit the Bill for the purpose of reconsidering this and other clauses.

Senator PLAYFORD.—That refusal was on account of this proviso.

Senator Sir JOSIAH SYMON.—The House of Representatives went into Committee on all the other amendments.

Senator PEARCE.—They did not go into Committee on this, and the Watson Government did not go out on this. The Government might just as well say that

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they have abandoned their position by agreeing to the amendment on clause 55 as say that they would abandon their position by accepting a modification of this proviso.

Senator Sir JOSIAH SYMON.—The Government is charged with abandoning its position on clause 55.

Senator PEARCE.—Not by me, at any rate.

Senator Sir JOSIAH SYMON.—Has the honorable senator not heard the abuse we have received for it?

Senator PEARCE.—I have not heard of any.

Senator Lt.-Col. GOULD.—We have had no opportunity to talk about it yet.

Senator PEARCE.—Does Senator Gould propose to abuse the Government for its action in connexion with clause 55.

Senator Lt.-Col. GOULD. — I take exception to what the Government has done in the matter.

Senator PEARCE.—If Senator Gould abuses the Government on that account, he is a very hard follower to please, because the Government have given very little in connexion with clause 55. They have not conceded what the Labour Party asked for. We asked for the elimination of clause 55 so far as it relates to politics, and the amendment submitted by Senator Matheson later on, was merely a compromise which we were prepared to accept in order to make the best of a bad bargain. The compromise in that case is in the direction for which honorable senators opposite were fighting. Why should we be asked to give up everything on clause 40? Why should not the Government give us an opportunity to arrive at a compromise on this question? It has been said here—and I reiterate the statement—that without a workable provision for preference this Bill is but a possible instrument of tyranny. This majority provision is as objectionable as was the political qualification in clause 55.

Senator DOBSON.—Fancy majority rule being considered tyranny by honorable senators opposite!

Senator PEARCE.—The difficulty is that a majority must be proved, and it is impossible to prove it.

Senator FRASER.—Surely those who ask for preference should prove something.

Senator PEARCE.—When we proposed to give Senator Fraser the opportunity to prove that there was a majority opposed to preference he got into a fog very quickly. He made it clear that he regarded it as impossible. He asked how we could prove a majority. I have no doubt that the historical speech made by the honorable senator still rings in the ears of honorable senators who heard it.

Senator FRASER.—I apologize for it.

Senator PEARCE.—We can remember the consternation exhibited on the faces of Government supporters who listened to that speech. We can remember the consternation with which the Attorney-General listened to it. We know that Senator Fraser's coat-tails were pulled in order to induce him to stop, and we know how relieved honorable senators opposite were when he was induced to sit down, and leave honorable senators on this side to argue the question. I trust that the Committee will not allow this murderous qualification, for I can describe it by no other term, to pass. There can be no doubt that this qualification murders preference. I trust that honorable senators will give the Government an opportunity to take another step, which is permitted by the Standing Orders of another place, that is, to see whether it is not possible, by means of a conference, to arrive at a compromise on this question. I ask the Committee not to be led away by the threat that the Bill will be dropped. The Attorney-General claims that the Government and their supporters are anxious that this Bill shall be placed on the statute-book. I believe that they are, because I imagine they have no desire to fight the next election on this Bill. I do not think that they wish the question of conciliation and arbitration to continue to disturb the political atmosphere of Australia. I believe there is every incentive for the Government and their supporters to refuse to allow this Bill to be dropped, on account of what is such a small matter, from their point of view, though it is a vital matter from the point of view of honorable senators on this side. I have no doubt they will be prepared to exhaust every constitutional means to secure an agreement between the two Houses. I am confident that neither the Government nor their supporters desire to fight an election upon this Bill.

Senator Lt.-Col. GOULD.—Nor do honorable senators opposite.

Senator PEARCE.—We are perfectly willing to do so. Mr. Watson asked for a dissolution upon this question, and it is, therefore, idle to say that we are not prepared to fight an election on this Bill. When we wished to do so, we were prevented.

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Senator Walker.—Is the honorable senator prepared for a double dissolution?

Senator PEARCE.—I am perfectly willing that there should be a double dissolution on this matter.

Senator Playford.—The honorable senator is making a terrible mountain out of a very little mole-hill.

Senator PEARCE.—I do not think so. Senator Playford voted for preference, and I ask the honorable senator if he is prepared to have an impossible qualification attached to it? I ask him to say how it is possible to prove that there is a majority affected by an award in favour of an application for preference?

Senator Fraser.—Surely, those who wish for preference should show that they are entitled to it.

Senator PEARCE.—Senator Fraser found that impossible when he was given the opportunity. I ask the honorable senator to refer to his previous speech, and he will admit the necessity for some amendment of this qualification.

Senator Lt.-Col. Gould.—Unionists have organizations, by which they could prove a majority, whilst non-unionists are disorganized.

Senator PEARCE.—The employers organizations could keep a tally of non-unionists to prove that there was a majority against an application for preference to unionists. Unionists are by this proviso asked not only to prove that there is a majority of unionists in favour of an application for preference, but to make up a list which will show that a majority of all those affected are in favour of preference.

Senator Dobson.—They must have some idea of the number of non-unionists who will be affected.

Senator PEARCE.—A mathematical proposition is not the same thing as a rough idea. This Bill does not allow of any latitude for rough ideas.

Senator Drake.—It does. Let the honorable senator look at clause 25.

Senator PEARCE.—I am dealing now with clause 40, which provides that those who ask for preference shall prove to the Court that there is a majority in favour of the application.

Senator Drake.—The Judge may satisfy himself on the point in any way he sees fit.

Senator PEARCE.—The Court in dealing with the matter, will be guided by mathematical rule. If it is shown that 1,000 persons would be affected by an award of preference, 501 will be accepted as a majority, and no less number.

Senator Drake.—Let the honorable senator read clause 25. The Judge may inform his mind in any way he sees fit.

Senator PEARCE.—I am aware that that clause provides that the Court shall be guided by good sense, but I repeat that it will be held that not less than 501 is a majority out of 1,000. The task set to the union is first to ascertain how many men will be affected by the award, and, secondly, to prove that it has a majority in favour of preference. But, on the showing of Senator Fraser, it is impossible to carry out that task. Those who insist upon departing from our previous vote are prepared to make preference an impossibility. I ask them to recognise that this is not the last stage in connexion with this measure, and that something may still be done by a Government and a Parliament which profess to be in favour of compulsory arbitration. I appeal to them to exhaust every possible means before they give their consent to the passing of a Bill which will not allow preference to unionists.

Senator PLAYFORD (South Australia).—In the last division on this question I voted to strike out these words, because I believed that it would be wiser to allow the Judge to say where he would grant preference and where he would not. I think it would be far better not to retain the words, but I am faced with the position that the other House insists upon their retention. I am astounded to hear Senator Pearce say that if the words be retained, it will be a "murderous" provision, because it will destroy the unions. He is merely making a big mountain out of a very small mole-hill. It is admitted on all hands that in New South Wales and New Zealand the Court has given preference where it has been satisfied that the claimant union represented a majority of the persons engaged in the particular trade. Within the last few weeks in New South Wales there have been several cases in which the number of persons likely to be affected by the award, and the number of persons in the trade union were given, and because the claimant union represented a majority of the persons employed in the trade the Court gave preference to unionists.

Senator Pearce.—Not in one case has the number of persons to be affected by the award been given.

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Senator PLAYFORD.—During the last few days two cases were decided in New South Wales. We are practically leaving the determination of this question to the Court when we adopt a form of words under which a rule favorable to unionists was laid down elsewhere and applied. How can it be said to be a "murderous" provision. If I thought that it was of very vital importance, I should be willing to insist upon our amendment.

Senator GIVENS.—The Bill will be no good without the amendment.

Senator PLAYFORD.—That is exaggerating the position. I believe that the unions will practically be no worse off under this provision than they would if the determination of the question were expressly left to the Judge. I cannot see where the difference comes in, and is it worth my while to run the risk of losing the Bill? It is all very well for honorable members to point to what was done in connexion with the Customs Tariff Bill, but that was a vital measure which no Ministry would have dared to drop. Under the terms of the Constitution it had to be passed within a given time, and therefore we could safely send back our requests for amendments as often as we liked. There is no such condition attached to this Bill. We have to consider what position the other House has taken up in regard to this amendment. When we find that it has been affirmed by that House practically three times—and once since the Bill was sent back from the Senate—how can we adhere to our view?

Senator GIVENS.—Let us affirm our position three times.

Senator PLAYFORD.—The Government are in a position to drop the Bill.

Senator TURLEY.—Let them drop it.

Senator PLAYFORD.—I have to consider whether it would be to the interests of the community for the Government to drop the Bill.

Senator PEARCE.—Does not the honorable senator admit that the Government have an alternative?

Senator PLAYFORD.—Undoubtedly the Government have; but what right have we to expect that they will give way after the trouble which they took with this special clause? This is an eminently contentious question, which has wrecked one Government. I advise my honorable friends to be reasonable. They have given up two points, but they have won an immense concession, against which I voted. On no less than three or four occasions the Senate would have nothing to do with the concession, but it has been made, I think, mistakenly.

Senator GIVENS.—We do not know yet that it has been obtained.

Senator PLAYFORD.—It is pretty safe to predict that a concession which has been granted by the other House to my honorable friends will be carried here, where my fourteen friends in the Labour Party will have the support of the Attorney-General, Senator Drake, and Senator Clemons. As a rule, I am pretty obstinate in fighting for my views, but I fail to see that any vital question is involved here. Otherwise I should certainly stick to my original view. Having gained so much on the question of preference so far as political unions are concerned, my honorable friends might well give way, and let us get rid of this miserable contentious measure. As I said the other day, it can only be availed of once in a blue moon. I hope that it will never be availed of, but if any trouble should occur it will be there ready for use. The fact that it is upon the Statute-book will minimize the trouble. After such a wonderful "climb down" on the part of the Government in another place my honorable friends in the Labour Party should give way. When I read this morning what had been done in the other House I very nearly used profane language.

Senator GUTHRIE (South Australia).—It is really amusing to me to hear Senator Playford speak so lightly on this question. He may be a good judge as to whether the Bill is applicable to agricultural labourers or gardeners, but it has always been recognised that this measure was brought forward primarily in the interests of the maritime societies.

Senator PLAYFORD.—They are almost all unionists.

Senator GUTHRIE.—That is just where the honorable senator exhibits his unfitness to express an opinion.

Senator PLAYFORD.—How did they manage to get up the big strike a few years ago unless they were unionists?

Senator GUTHRIE.—The honorable senator tried to quell that strike by loading the guns of the *Protector* to fire on the people.

Senator PLAYFORD.—No, no. That order was given by Charles Cameron Kingston.

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Senator GUTHRIE.—He was not in the Ministry; but the Honorable Thomas Playford and the Honorable John Bray were.

Senator PLAYFORD.—I never loaded the guns; I never went near the *Protector.*

Senator GUTHRIE.—The honorable senator gave an order to that effect. As regards seafaring men, what has been done? Those men who are domiciled in Australia have been brought under the Bill, but those who come from foreign countries and compete against our seafaring population for a living are excluded from its operation.

Senator Sir JOSIAH SYMON.—Foreign seamen would not be persons affected by the award.

Senator GUTHRIE.—Of course they would be whilst they were engaged in the coastal trade. There is a shipmaster in this building to-day, who is prepared to state that in certain contingencies shipmasters will get orders in England to discharge their men when they come here. Is it not ridiculous to expect Australian seamen to prove that they constitute a majority of the seamen who are engaged in Australian waters? When the secretary of the Melbourne Wharf Labourers' Society was examined before the Navigation Commission he said that his union comprised a certain number, but that in a time of dispute every unemployed blacksmith, joiner, bricklayer, and mason was a wharf labourer. Therefore, every unskilled labourer who was out of work would have to be counted amongst those who would be affected by the award of the Court. We on this side took up a fair position when we said that it should devolve upon the employers to show that they had a grievance against the unionists. I appeal to Senator Playford to adhere to his original idea. No doubt, it was not arrived at without considerable thought on his part, and is only now being abandoned for fear of losing the Bill. Far better that the Bill should be lost than that an injustice of this kind should be perpetrated.

Senator PLAYFORD.—That is where I do not agree with the honorable senator.

Senator MATHESON.—Does the honorable senator voice the opinion of his own union in saying that?

Senator GUTHRIE.—The Bill, so far as concerns the engineers, firemen, seamen, masters, cooks, and others engaged on board ship, will work absolute injury. Men employed at one-tenth of the wages which are received by those engaged in our coastal trade are brought into competition with them.

Senator FRASER.—One-tenth?

Senator GUTHRIE.—Yes; the firemen on our coastal vessels receive £8 10s. per month, whilst those engaged on the Peninsular and Oriental steamers receive 13s. 4d. per month.

Senator Sir WILLIAM ZEAL.—They are lascars.

Senator GUTHRIE.—But they are working in competition with our seamen. They need to be brought under the provisions of this Bill in order that justice may be done.

Senator Sir WILLIAM ZEAL.—That is not a fair argument. White men should be compared with white men.

Senator GUTHRIE.—To compare white men with white men, while the firemen on our coasts are paid £8 10s. per month, those engaged on tramp steamers doing the same trade are paid £3 10s. That is only about one-third. On the French steamers firemen are paid £2 5s. per month; and on the German boats a little more.

Senator Sir WILLIAM ZEAL.—Those men are not domiciled here.

Senator GUTHRIE.—But they are engaged in carrying cargo and passengers along our coasts from port to port.

Senator FRASER.—Only to a limited extent; they are not under-cutting.

Senator GUTHRIE.—Does not £3 10s. per month undercut £8 10s.? The employers complain of this competition just as much as the men do. At the late conference the argument put forward from the employers' stand-point was, "We do not fear the Arbitration Bill, because we can go to Court; all that we ask, as far as wages are concerned, is to be put on the same level as those who are competing against us." Is not that fair? If Senator Playford were the Judge of the Arbitration Court, and an appeal were made to him by employers, who asked to be put on the same level as those who were competing with them, would he not agree that that was a reasonable request? What has his argument been when asked to impose Customs duties to encourage the establishment of local industries? He has said, "We must give encouragement to our own people against the foreigner, who is flooding our markets with goods." Yet he would give a concession to firms who come to our ports and compete against our own people. The tendency of this Bill, as far as concerns the maritime societies, is to reduce their status and their pay. It is absolutely useless to them. I have no hesitation in saying that I should prefer to vote

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against the Bill unless the amendment of the Senate is insisted on.

Senator TRENWITH (Victoria).—I feel, in connexion with this proposition, a very keen sense of responsibility. There is a great deal in the contention that we are in danger of losing the Bill, but I do not intend to be over-awed by that consideration when there is a principle of great importance involved. My view as to the prospect of losing the Bill have been largely changed by the argument of Senator Playford. He pointed out with very great force that what happens now is that Arbitration Courts only grant preference where, in their opinion, there is a majority of the employés in an industry in favour of it. That fact removes the necessity for any statutory stipulation that there shall be a majority. As the honorable senator puts it, and as every one now recognises, we are perfectly safe in trusting the Court. If we insist on our amendment, Members of Parliament who think that the Court will in any case require a majority will be in a position to say, if they are at all rational, "While we should like to see the clause amended, after all, we know that there will have to be a majority, and therefore we will not fight for the proviso." Consequently, upon the showing of Senator Playford, with which I agree, there is no danger of the Bill being lost if we insist on our amendment. The matter from the point of view of the supporters of the clause is so unimportant, in view of the fact that all precedent teaches us that the Judges will be sure to ascertain whether there is a majority before they grant preference, that I have decided to vote for insisting on our amendment. I do so, first, on account of the argument which I have just stated, which unfortunately led Senator Playford to an entirely opposite conclusion; and, further, from the consideration that in an important matter of this sort we have no right to consider that we have reached the last stage when we send back this amendment. It is quite possible—indeed, it is reasonable to think—that if another place emphatically dissents from our view, it will make another effort to induce us to adopt its view. It may make that effort in one of two ways. It may send back the Bill with a declaration that it still insists upon its amendment, or it may take the not unusual and the reasonable course—a course eminently appropriate in connexion with this Bill—of asking for a conference. This is a Bill for conciliation and arbitration. Nothing could be more appropriate than that, when there appears to be a deadlock on an issue that both sides consider to be important, an effort should be made between the two Chambers to conciliate. I feel that we ought not to discuss the merits of the question again. Therefore, I shall adduce no arguments to show the impracticability of the clause. But I thought it necessary and due to the importance of the subject that I should say these few words as to the reasons which actuate me in coming to a conclusion in a difficult position.

Senator DE LARGIE (Western Australia).—Perhaps the fact that my own State has an Arbitration Act, and that there is very little chance of this measure affecting Western Australia, makes the Bill less important in my eyes than it would otherwise be. I do not think it likely that any trade union in Western Australia will register under this Bill, and that State is not likely to be affected by it unless a maritime strike occurs. From the tone of the speeches of some honorable senators opposite, I gather that it will require something in the nature of a maritime strike to awaken the public conscience as to the danger that faces society. It has been said that the Bill will be of little use when it is placed upon the Statute-book. Apparently honorable senators who use that argument have forgotten the events that were hinted at by Senator Guthrie a few moments ago. They were the most regrettable incidents in the history of Australia. We now have an opportunity to legislate so that such things may never occur again. But we are taking the right course to defeat legislation which might prevent them from happening. We know perfectly well that what is called preference to unionists is nothing more nor less than a sham as this Bill stands. Victimization of unionists is going on. Since this subject was last discussed I have received a letter from an old work-mate of mine, who has suffered victimization under an Act of Parliament which apparently gives much more security to unionists than will this Bill. Simply because he was president of a union on the gold-fields at Menzies, and took a prominent part in bringing a case before the Arbitration Court, he finds himself in this position—that he has had to leave his wife and family behind him and to start to look for work in other places, afraid to make his name known, lest he should be further victimized. If such victimization can be

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practised under an Act that safeguards the interests of the workers much more effectually than this measure does, it is impossible foı us to expect that unions will by registering risk the position of their prominent members under such a Bill. If they do not register, what will the position be? If they strike they will be in danger from the Court, and if they register they will be in danger of victimization. The Bill will be of no practical use whatever unless the amendment in reference to preference is insisted on. It is better that it should go into the waste-paper basket than upon the Statute-book in this form. Perhaps I undervalue it more than others do, because we have a superior Act in Western Australia. But certainly our people are not likely to be attracted by it. If I represented a State in which there was no Arbitration Act, I might look upon it more favorably; but I think it will be more of a menace than a benefit, and I should prefer to see it put in the waste-paper basket than become law unless a reasonable amendment is made, with the object of giving protection to unionists. That is the proper term to apply to what is desired.

Senator STEWART (Queensland).—My opinion is that if the measure passes with the clause with which we are now dealing in it, we shall, instead of promoting conciliation and arbitration, throw the apple of discord right into the heart of our industrial life. Honorable senators opposite have entirely overlooked the purpose of the Bill. Inspired by the Employers' Association, they have inserted a provision which will deprive the working classes of any advantage that might reasonably have been expected. Further, the provision will emasculate, in a great measure, the principle of arbitration and conciliation. I wonder if honorable senators opposite have ever thought of the great difficulties unionists have always had to contend with in forming and maintaining their organizations. Hitherto employers have looked on unionists as men who ought to be black-listed at every opportunity. In many districts of Australia to be a unionist is practically to be altogether outside the pale of employment. Unless there is a very great demand for labour a prominent unionist cannot earn his living. We are called upon here to settle matters according to facts, and not according to fine-spun theories of our own. In considering a measure of this kind we must have regard to the manner in which it will operate. Let us suppose that in some particular industry the union takes a case before the Court, and let us further suppose that only a very small minority of the men engaged in the industry are members of the union. If an award be given in favour of the members of the union, and they apply for preference, they will, under the Bill as it stands, undoubtedly be refused. Every man employed in the industry may have benefited by the application to the Court, but the men who set the Court in motion will, instead of receiving an award, actually be penalized. Are honorable senators opposite in earnest in their desire to promote industrial conciliation and arbitration? If they are, they must wish to reward, rather than penalize, members of unions; and the only reward for men who have been the means of doing away with industrial unrest is to secure them employment—to prevent them from being black-listed and driven from place to place in search of work. If that security is not afforded the whole edifice of industrial conciliation and arbitration is no more than a castle in the air—a delusion, a fraud, and a snare. I say deliberately that if the clause under discussion remains the Bill will be of no use whatever to industrial organizations. It is desirable we should speak plainly, and I think that honorable senators opposite are perfectly well aware of the truth of my statements.

Senator MULCAHY.—That is not fair!

Senator STEWART.—It is perfectly fair.

Senator Sir WILLIAM ZEAL.—The honorable senator should not make such statements.

Senator STEWART.—I am entitled to judge men by their actions, and not by their words. A great authority has told us that language is given to men to conceal their thoughts. Do honorable senators opposite think they can deceive us on this side by making fine speeches?

Senator Sir WILLIAM ZEAL.—The honorable senator should apply his remarks to himself.

Senator STEWART.—Senator Zeal may apply any language he likes to me. I am entitled to come to my own conclusion.

Senator FRASER.—The honorable senator must not make that sort of statement publicly.

Senator STEWART.—I shall take every opportunity to make such a statement publicly.

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Senator MULCAHY.—What a lop-sided world it is! All the sincerity and truth on one side of the Chamber!

Senator STEWART.—Senator Mulcahy is as sincere in maintaining his own side of the question as I am in maintaining mine.

Senator MULCAHY.—The honorable senator said just now that we were not sincere.

Senator STEWART.—I said that honorable senators opposite wish to carry out their own ideas. They profess to be in favour of conciliation and arbitration, but that is simply because they know perfectly well they dare not, otherwise, face their constituents. But, while professing to be in favour of the principle, they take good care to insert a provision which will have the effect of making the Bill of no use. What can be thought of honorable senators who take up such an attitude? It has been shown over and over again how this measure will operate if passed as at present drawn; and still honorable senators opposite adhere to this clause. I would rather see the Bill thrown into the waste-paper basket than passed in its present form; indeed, I would rather see the former than the latter. The Government are apparently extremely anxious that the Bill shall become law, and I can easily understand that attitude. The Government are, no doubt, desirous to have all the kudos for having passed a Conciliation and Arbitration Bill. The Prime Minister will say, "Did I not pass a Conciliation and Arbitration Bill? How can you call me a Conservative?" And I have no doubt that with a large number of people throughout Australia such a claim would prove of advantage to the Government. But I think I may say without egotism that we on this side of the House see into these industrial matters a little more clearly than perhaps people outside do, and we know perfectly well that the present measure will be worse than useless to the great body of unionists throughout Australia.

Senator FRASER. — They could use the States laws.

Senator GIVENS.—State law would be of no use in Inter-State disputes.

Senator STEWART. — Surely if we place on the Statute-book a measure which professes to do certain things, we ought to use every endeavour to effect our purpose. What is the purpose of the Bill? To promote conciliation and arbitration.

Senator FRASER.—Not compulsory conciliation and arbitration.

Senator STEWART.—I thank the honorable senator for having exposed the cloven hoof. The honorable senator does not want compulsory arbitration; but if he must have it, he will take it with the proviso we are now discussing. The whole case of honorable senators on the other side has been given away.

Senator FRASER.—I am speaking for myself only.

Senator STEWART.—Yes; and I can quite understand the honorable senator's position. He is a hot-headed Highlander, or at least his forefathers were Highlanders, and, with their hot blood still streaming through his veins, he cannot cover up his intentions so well as can other honorable senators who sit with him.

Senator FRASER.—I must be honest. I thank the honorable senator for the compliment.

Senator STEWART.—I respect the honorable senator all the more because of this trait in his character. A number of honorable senators opposite do not wish compulsory arbitration, but they are prepared to swallow the bane, because the antidote, in the shape of the proviso we are discussing, goes with it. The Bill as it stands will not promote conciliation and arbitration, and, while it will break up our organizations, it will not give us industrial peace. It will be found that to be a member of an organization, and to bring a case before the Court, will lead, not to reward, but to penalty in the shape of want of employment and poverty. I do not know whether that is desired by honorable senators opposite, but there is not the slightest doubt that that will be the result. Senator Playford said that we on this side are making a mountain out of a molehill, but that gentleman evidently does not see the importance of the point for which we are contending. He apparently regards the matter as of very little consequence, or otherwise he would repeat his previous vote. We have a duty to perform apart altogether from what may happen to the Bill in another place. A great deal of bad legislation has been brought about by the idea that measures must be passed anyhow —that such and such legislation must be placed on the Statute-book. We ought not to be governed by motives of that kind, but should regard it as our duty to make the Bill as perfect as possible. We ought to

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keep continually before our mind's eye the principle and the object of the Bill. The principle of the Bill is peace, and the object is to promote peace; and that is what I wish to impress on honorable senators opposite. Their votes will tell us whether they are in earnest, and if they are they will give preference to unionists. They will say to members of industrial organizations, "You are the men on whom we depend to maintain industrial peace, and, that being so, we shall see that you get preference under the law." If they are merely opposed, as Senator Fraser is, to compulsory arbitration of any kind, they will accept the Bill, knowing that it will be valueless, so far as our organizations are concerned.

Senator TURLEY (Queensland).—On the second reading of this Bill, I made the statement, in dealing with this question, that, if this proviso were retained, I should be prepared to vote against the measure. I have not receded in any way from that position. I recognise that the retention of this provision is calculated to do a very great deal of harm, not only if any attempt is made to bring it into operation in the settlement of a dispute, but in quite another way. It will do harm where the working classes in the States are asking for industrial conciliation and arbitration. Senator de Largie has said that the Arbitration Act in force in Western Australia is a better measure than this Bill, with this proviso in it. The honorable senator realizes that on that account this measure, if passed in its present form, will not seriously affect the workers of Western Australia. But I point out that in some of the States no Conciliation and Arbitration Bill has yet been passed. If labour organizations in those States induce the States Parliaments to undertake the passing of a Conciliation and Arbitration Bill, there can be no doubt that an attempt will be made to base that State legislation on the Federal Bill, and efforts will be made to have inserted in the State measures the provisions we are being asked to accept in this Bill. I have no hesitation in saying that, in such a case, none of the workers' organizations will be prepared to accept State legislation of that description. I would ask honorable senators representing New South Wales whether, if an attempt were made to amend the Conciliation and Arbitration Act of that State, by the introduction of such a proviso as this, there would not be a commotion in industrial circles throughout the State? There would be appeals to Parliament on the subject, because the organizations would realize that, so far from improving the present State Act, such an amendment would render it a very much worse measure than it is at the present time. That should be sufficient to induce every member of the Committee who agrees that Federal legislation should be as advanced as State legislation, to vote for the omission of this proviso. It may be said that some honorable senators believe that the measure will work equitably, and since they desire to have it placed on the Statute-book, they are prepared to swallow this proviso. In common with other members of the Labour Party, I have received communications from the organizations throughout Australia that will be most affected by this measure if passed. Senator Guthrie has stated that, so far as the Seamen's Union is concerned, its members, if this proviso is retained, would prefer that this Bill should be thrown under the table. I am satisfied that the organizations of men working in the back-country, who are likely to be seriously affected by this legislation, will not accept a measure containing this proviso, unless under absolute compulsion. It is not proposed that a majority of the members of an organization shall be favorable to an award of preference. This proviso goes far beyond that, and as has been pointed out by Senator Guthrie, it would be absolutely impossible for the waterside workers to satisfy the Court that there was a majority of those affected by an award of preference on their application in favour of that award, for the simple reason that there are so many persons casually engaged in waterside employment who leave that work when they can find employment at their own trades, but who would be as much affected by an award of preference in that industry as the men continuously engaged in it. The very same thing applies to men engaged in the industries of the back country. There are men who follow regularly the occupations of shearers and rouseabouts; but if we consider the number of men in the Shearers' and Rouseabouts' Unions, we shall find that they do not include half the total number of persons employed in any given year in the shearing industry. Thousands of men come out from the towns to seek casual employment in the industry. Other men who are settled on small areas of land of their own, take part in the shearing, and this is done

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to a greater extent in Victoria than perhaps in any of the other States. It must not be forgotten that this measure deals with Inter-State disputes, and that all these men must be reckoned with. It will be of no use for the shearers' organization to assure the Court that throughout Australia during shearing time, so many thousand men belonging to the organization have been engaged in the industry. They must under this proviso, satisfy the Court that all who would be affected by an award of preference in the industry, are in favour of the grant of such an award. With all their organization, it is impossible for the organized workers in this industry to state that a majority of those affected are in favour of an award of preference. Men working on the coast in Queensland, men working in the sugar districts yearly, and men employed along the coast in the fruit season from Brisbane, as far north as Rockhampton, may be affected by an award of preference in the shearing industry, because they are often compelled to go into the pastoral districts to seek employment, when none is to be had on the coast, and under this proviso, all persons who may be affected by the award must be accounted for. Under the Bill as it stands, before an award of preference can be given, the whole of the conditions surrounding the industry must be put before the Court. This Bill is professedly given to the workers of Australia in good faith, with the object of securing industrial peace, and yet some honorable senators desire to retain a proviso which will have the effect of preventing labour organizations securing the benefits for which they have worked for so many years. And more than that, if at any time they should be compelled to come under this legislation, this proviso will have the effect of breaking up those organizations altogether.

Senator DE LARGIE.—Still, the intention of the Bill is to foster organizations.

Senator TURLEY.—That is the professed intention of the Bill. Honorable senators opposite admit that trade unions have done good work, that they have improved the condition of the workers engaged in the various industries. They say, "We believe it is necessary to enact legislation which will prevent strikes such as the shearers' strike and the maritime strike, which extended from one end of Australia to the other." At the same time, by insisting upon the retention of this proviso, they are not only taking away from the workers of Australia the opportunity to secure industrial peace; but they are placing them in such a position that they must resort to subterfuge to obtain any benefit from this legislation, or run the risk of having their organizations broken up. Some honorable senators opposite have admitted that they are absolutely opposed to the principle of compulsory arbitration, and, so far as I represent labour organizations in Queensland, I am prepared, if I am unable to secure the passage of a Conciliation and Arbitration Bill, without a proviso of this sort, to give honorable senators opposite a hand when the opportunity presents itself, in throwing the Bill under the table. They have said that in their opinion, the Bill is bad, and they are prepared to vote against it on any consideration.

Senator GRAY.—We did vote against it.

Senator TURLEY.—I am almost forced to say that I am sorry that I did not vote with Senator Gray to throw the Bill out, when the attempt is made to carry such provisions as the one to which I have referred. If this proviso is retained, and honorable senators opposite are prepared at the report stage to vote for the rejection of the measure, I shall vote with them.

Question—That the word "not" proposed to be left out be left out—put. The Committee divided.

Ayes	13
Noes	15
Majority	2

AYES.

de Largie, H.	Stewart, J. C.
Givens, T.	Story, W. H.
Henderson, G.	Styles, J.
Higgs, W. G.	Trenwith, W. A.
Matheson, A. P.	Turley, H.
McGregor, G.	*Teller:*
Pearce, G. F.	Croft, J. W.

NOES.

Baker, Sir R. C.	Playford, T.
Dobson, H.	Pulsford, E.
Drake, J. G.	Smith, M. S. C.
Fraser, S.	Symon, Sir J. H.
Gray, J. P.	Walker, J. T.
Keating, J. H.	Zeal, Sir W. A.
Mulcahy, E.	*Teller:*
Neild, J. C.	Clemons, J. S.

PAIRS.

Dawson, A.	Millen, E. D.
Findley, E.	Macfarlane, J.
Guthrie, R. S.	Gould, A. J.
O'Keefe, D. J.	Best, R. W.

Question so resolved in the negative.

Amendment negatived.

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Senator PEARCE (Western Australia).—I move—

That the following words be added :—"but that the Senate's amendment be amended by inserting after the word 'given' the following words :—'if in the opinion of the Court the members of the organization applying for preference are in such a minority of those affected by the award that the granting of such preference would prejudice the interest of the majority,'"

Senator Sir JOSIAH SYMON.—I venture to submit, sir, that my honorable friend cannot move his amendment. According to standing order 227, the first question to be decided is whether the Committee does or does not insist on the Senate's amendment. If it is decided to insist on the amendment my honorable friend may move any further amendment to the Bill consequent upon its rejection.

Senator PEARCE.—Suppose that we do not insist on our amendment?

Senator Sir JOSIAH SYMON.—We cannot amend our amendment, but if it is insisted on by the Committee my honorable friend can move a further amendment to the Bill consequent upon the rejection of our amendment.

Senator PEARCE.—Not if this motion is carried.

Senator Sir JOSIAH SYMON.—Certainly my honorable friend can. In the first place, we must either agree or disagree to the amendment made by the other House.

Senator PEARCE.—Or we may make further amendments.

Senator Sir JOSIAH SYMON.—Under certain conditions we may make further amendments to the Bill, but we cannot amend this amendment. If we insist on our amendment there is an end of the matter for the time being. But if we do not insist on our amendment, then comes the question of a further amendment to the Bill, consequent upon the rejection of our amendment. Our amendment has been rejected by the other House.

Senator McGREGOR.—And now we must try another amendment.

Senator Sir JOSIAH SYMON.—That case is provided for. But in the first place we have to insist or not insist upon our amendment, as it was submitted to the other House.

Senator GIVENS.—There are several alternatives to that course.

Senator Sir JOSIAH SYMON.—Yes—

The Senate may—I. Insist or not insist on its amendments; or may make further amendments to the Bill consequent upon the rejection of its amendments; or propose new amendments as alternative to the amendments to which the House of Representatives has disagreed.

The last provision clearly means that, in the first instance, the amendment to which the other House has disagreed has been disposed of.

Senator PEARCE.—Does not the word "or" show that that is an alternative?

Senator Sir JOSIAH SYMON.—It is an alternative on the assumption that the other House has disagreed to the amendment, and that it remains.

Senator PEARCE.—I cannot move to alter that which we have rejected.

Senator Sir JOSIAH SYMON.—I confess that there is no meaning to be given to the words "consequent upon the rejection of its amendments," unless they mean that the further amendment to the Bill is conditional.

Senator PEARCE.—I am not moving an amendment to the Bill, but an amendment to the amendment to which the other House has disagreed.

Senator Sir JOSIAH SYMON.—I submit that it cannot be done.

Senator McGREGOR.—Ours was a negative amendment.

Senator Sir JOSIAH SYMON. — Our amendment took the form of a proviso. We chose our amendment, and now that it has been disagreed to by the other House, it cannot be amended. Otherwise there would be no finality. If we insist on our amendment, a message will be sent to the other House. But if we give way, the proviso will remain in the Bill. In other words, the amendment of the Senate will be rejected. Consequent upon that rejection my honorable friend may move another amendment, but the condition of another amendment being moved to the Bill is the rejection of our previous amendment by the other House, and our affirmance of that position. The effect of our not insisting will be that the other House's rejection of our amendment will be final. But when that decision has been come to, my honorable friend may move a further amendment consequent upon the rejection of that amendment.

Senator PEARCE.—Does the honorable and learned senator hold that I could move to amend that particular paragraph?

Senator Sir JOSIAH SYMON.—I do not know whether my honorable friend can move to amend that particular paragraph

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It seems to me that he can only move an amendment consequential upon the rejection of the Senate amendment.

Senator GIVENS.—There are other alternatives.

Senator Sir JOSIAH SYMON.—Besides the alternative I mentioned, the Senate may—

II. Agree to the House of Representatives' amendment on its own amendments, with or without amendment, making consequent amendments to the Bill if necessary.

When we come to amendment No. 4, Senator Pearce may move an amendment to that proviso, allowing the unions to be political on a certain programme. But, under the first paragraph of the standing order I quoted, the Committee can only make an amendment consequent upon its assent to the rejection of the Senate's amendment by the other House. All we can do is to insist or not insist on that amendment. We cannot amend it. When we have declared whether we will accept it or not, if any consequential amendments are required in the Bill, we can make them. Otherwise the position would be that when an amendment is made in the House of Representatives, and it comes up to the Senate, we could make a verbal amendment simply for the purpose of securing further consideration of the matter in the House of Representatives. That would be contrary to all parliamentary usage. All we should have to do would be to keep on making amendments in the amendment of the House of Representatives to enable us to send the Bill back. If my honorable friend will read the two paragraphs of the standing order he will see the difference. What he proposes to do is to amend our own amendment. There is nothing in paragraph 1 of the standing order following the words, "the Senate may," to enable that to be done. But in paragraph 2 there is a provision enabling us to amend an amendment of the House of Representatives. That would enable us to amend amendment No. 3. As regards our own amendment, all we can do is this: When it is dealt with, and we do not insist upon it, and when the House of Representatives' amendment remains in the Bill, further amendments may be made consequent upon the rejection of the amendment that is under discussion. I venture to submit that no amendment can be made at this moment; but when the rejection of our amendment by the House of Representatives is dealt with by its not being insisted upon, then our amendment is finally rejected, and consequential amendments or new amendments may be moved as alternatives to the amendment with which the House of Representatives has disagreed.

Senator PEARCE.—The Attorney-General seems to me to take the position that amendment No. 3 is practically not before the Committee. Either the amendment which we made in the Bill is before the Committee, or it is not. I take it that it is.

Senator PLAYFORD.—What is before the Committee is the message from the House of Representatives.

Senator PEARCE.—But that message contains the amendment; and the motion of the Attorney-General is that we do not insist on our amendment. My proposal is that we do not insist on the amendment, but that we amend the amendment by inserting certain words. Let me direct attention to standing order 227. It will be seen that the second part of the standing order, commencing "The Senate may," provides for two alternatives. We may or may not insist on our amendment. The Attorney-General proposes the alternative that we do not insist on it. But we have another alternative. That is, that we may make further amendments in the Bill, consequent upon the rejection of our own amendment. If we adopt the Attorney-General's suggestion, then on his own showing the provision with which we are dealing is done with. It is in the Bill.

Senator Sir JOSIAH SYMON.—A consequential amendment can be moved.

Senator PEARCE.—We can propose something to follow, but the proviso will have been dealt with. By saying that we do not insist, and by striking it out altogether, we shall have done all we can do. I take it that that is not the meaning of the standing order. I take it that the meaning is that we may take the course proposed, or we may take another course. We may amend our amendment by saying, "We will not strike the provision out altogether, but we will strike out a portion of it, and put in other words." What is the meaning of the word "or"? It means that we may make further amendments in the Bill.

Senator Sir JOSIAH SYMON. — That is if we do not insist upon our amendment; but we must carry that motion first.

Senator PEARCE.—I have got past that point in my argument. I ask the Committee to take one alternative—the Attorney-General asks us to take another.

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Senator Sir JOSIAH SYMON.—The fact that Senator Pearce asks us to amend our amendment shows that we do not insist on it as it stands.

Senator PEARCE.—We may make a further amendment of the Bill consequent upon the rejection of our amendment by the House of Representatives.

Senator Sir JOSIAH SYMON. — But that must be done by separate motion.

Senator PEARCE.—I contend that it is perfectly competent to have two questions before this Committee—one a motion by the Attorney-General proposing not to insist on the Senate's amendment; the other a proposal that we do not insist on our amendment, but make a further amendment consequent upon the rejection of our previous amendment. That is in exact accordance with the standing order, and it is an exact statement of the facts. Our amendment has been rejected by the House of Representatives. Consequent upon that rejection, while not insisting on the amendment, we propose to make a further amendment. I do not think we need go further than those two alternatives to show that it is perfectly competent, according to the standing order, for me to submit this proposal. Of course, as the Attorney-General points out, I have another alternative. I may propose a new amendment. But I do not wish to do that. I wish to amend the existing amendment. The Attorney-General knows very well that if his proposal is carried, the principle of not insisting on our previous amendment will have been affirmed. If I allowed that to be done, he would afterwards confine me to proposing a consequential amendment. Why should I be debarred from accepting the alternative, which allows me to propose a further amendment to the Bill, consequent on the rejection of the Senate's amendment by the House of Representatives? There is nothing in the standing order to debar me. Why should I be compelled to fall back upon the other alternative, which does not accomplish what I wish to accomplish?

Senator Sir JOSIAH SYMON.—It will be impossible to move anything inconsistent with the motion not insisting on our amendment, if that is carried.

Senator PEARCE.—I agree with that. But whether my proposal is consistent with the motion that our amendment be not insisted on is another point. I submit that it is perfectly consistent, because it allows the Court to decide on the question of the majority; but it lays down a compromise. I submit that I am perfectly in order in taking the second alternative allowed by the standing order, and that, consequent upon not insisting on our amendment, I have a right to move a further amendment on the Bill.

Senator TRENWITH.—It seems to me that the standing order is a novel one. I do not know whether it is the standing order of the House of Commons. But as it stands it appears that Senator Pearce must move his proposal at this stage or place the Committee at a disadvantage in dealing with the whole question. The Committee may be indisposed to refrain from insisting on its amendment, unless there is some satisfactory alternative. Therefore we ought to have the two questions before us—the question of insisting on our amendment, or of not insisting, together with an alternative. It seems to me to be desirable, and in accordance with the standing order, that while we are discussing it we should have the whole question before us. That is better than dealing with it piecemeal. If we carry the motion that the Senate does not insist on its amendment, that, it seems to me, will be final.

Senator Sir JOSIAH SYMON.—But the standing order merely empowers amendments of the Bill, not of amendments at this stage.

Senator TRENWITH.—The greater includes the lesser. If we can amend the Bill at any point, we can amend it at this point.

Senator Sir JOSIAH SYMON.—We cannot amend the clause. Paragraph 1 of standing order 227, following the words "the Senate may" gives no power to amend an amendment, but only to amend the Bill. The standing order is very carefully framed.

Senator TRENWITH.—It says that the Senate may—

> Insist, or not insist, on its amendments; or may make further amendments to the Bill.

I see there is a distinction there. The Bill before us does not contain the amendment. But it seems to me that, as a matter of expediency, if an amendment can be made at any stage, this is the stage where it can be made with the greatest wisdom.

Senator Sir JOSIAH SYMON.—An amendment can be made immediately after we have expressed our opinion as to whether our amendment shall be insisted on.

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Senator TRENWITH.—If that is so, the point is not worth arguing about, because the Senate is in a position to know that an amendment is to be moved.

Senator GIVENS.—It appears to me that the Standing Orders give us ample latitude to choose which alternative we shall take. Standing order 227 says that the Senate may—

Insist, or not insist, on its amendments; or

—Clearly showing that there is an alternative—

may make further amendments to the Bill consequent upon the rejection of its amendments; or propose new amendments as alternative to the amendments to which the House of Representatives has disagreed; or may order the Bill to be laid aside.

Senator Pearce is proposing a new amendment as an alternative to the amendment which the House of Representatives has refused to accept. His amendment is entirely relevant to the clause with which we are dealing, and to the Bill. No one is prepared to take exception to it on that ground. The whole fight upon this Bill has been mainly around this principle. I claim that without some provision for preference or protection to unionists, the Bill will be absolutely useless. I am even prepared, if we cannot get some concession in this respect, to vote for ordering the Bill to be laid aside. Much as I want to see industrial peace, and an effective measure of conciliation and arbitration, I should prefer to have no Bill rather than one that is a farce. In my opinion, the Committee has absolute power to say which of the alternatives it will proceed to vote on, and, that being so, I submit that Senator Pearce's amendment is distinctly in order. If the amendment is not moved at this stage, we shall not have the whole question before us, and must begin *de novo*, seeing that in all probability the Senate will have accepted the first alternative, and decided not to insist on the amendment. If we are to have that finality which we all desire, the best course would be to accept a commonsense view, and allow Senator Pearce to submit his amendment.

Senator Sir JOSIAH SYMON.—I do not wish to interpose at all between Senator Pearce and his ability to move any further amendments in the Bill, consequent on the rejection of the amendment under discussion. An amendment was made by the Senate and rejected by the House of Representatives, and that rejection must be made effective by our not insisting on the amendment. That being so, there may, under the standing order, be a further amendment made, not on the amendment, but on the Bill, consequent on the rejection of our previous amendment. In the case of an amendment by the other House, such as an amendment on our amendment, another state of things prevails—that is, an amendment may be moved on an amendment, which comes from the other House. That is quite natural—it is good sense and justice. We have never had this question before us on a previous occasion; but we are entitled to amend an amendment of the other House, just as we are entitled to amend any Bill from the other House. But that does not apply to our own amendments. What Senator Pearce wishes to do is to amend the Senate's amendment by dealing with the principle of majority in some other way. But that would be an amendment of our own amendment previously put forward, and I submit that such an amendment cannot be made, because otherwise there would be no finality. We might go on whittling away the provision by degrees, and sending it down to another place day by day; and the standing order was never intended to permit that. Any amendment from the other House we are entitled to amend, but we must stand or fall by our own amendment, with the safeguard that when an amendment is rejected, and that rejection has been affirmed by the Senate, then any amendment consequent on that rejection—any amendment necessary in the Bill—may be made. This is a question of substance. An amendment consequent in the Bill may be moved, or, as an alternative, a new amendment may be submitted for that disagreed to, but we cannot keep on tinkering with our own amendment, which has to be either insisted on or rejected.

Senator MCGREGOR.—I cannot agree with the Attorney-General in his view of the position. This proviso is either before the Senate, or it is not. We amended clause 40 by striking out the proviso, and the other House has insisted on the proviso remaining; and, therefore, I say that the amendment suggested by Senator Pearce is consequent on the rejection of our amendment.

Senator Sir JOSIAH SYMON.—That is not the standing order.

Senator MCGREGOR.—I hold that under the standing order the proviso either is or is not before the Senate. If we carry the

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motion of the Attorney-General now, we can, of course, do nothing further. Before that motion is carried, I think that Senator Pearce has a right to move that the proviso, which we originally sought to omit, shall be amended as an alternative to our insisting on its being struck out. Of course, we shall be all the better for a ruling from the Chairman, and, it may be, from the President, because then we should have something to guide us. If the motion is carried that we do not insist on the amendment, then the proviso remains in clause 40, and the desire is to amend that proviso as a consequence of its rejection by another place.

Senator Sir JOSIAH SYMON.—That cannot be done.

Senator MCGREGOR.—I hold that it can, because the proviso is still in the possession of the Senate. At any rate, I should like to hear the opinion of both the Chairman of Committees and the President. What we desire to do is to agree to the proviso with a certain amendment, and that, in my opinion, is a perfectly legitimate position.

Senator PLAYFORD.—That is not what is desired.

Senator MCGREGOR.—The amendment is only to amend the proviso.

Senator PLAYFORD.—I have seen the amendment, and it strikes out all reference to majorities.

Senator MCGREGOR.—The honorable senator is entirely wrong, and I contend that the proviso is in the possession of the Senate.

Senator CLEMONS.—Before you give your ruling, Mr. Chairman, I desire to direct attention to what I think is an important part of standing order 227. There are two alternatives, one to make a further amendment of the Bill, consequent on the rejection of the Senate's amendments, and the other to propose new amendments as alternative. I submit that there is some reason for the use in the standing order of both "consequent" and "alternative." Senator Pearce could, I think, move a new amendment as an alternative to the amendment with which the House of Representatives has disagreed. But I urge that the word "consequent" is put in for some reason, and has some meaning, to which you, sir, must give intent; and that meaning must be the ordinary one of consequential amendment. If that were not so, the word "consequent" would be quite unnecessary. If Senator Pearce could, under the first part of the standing order, do what he wishes to do, the word "consequent" might be left out. The standing order reads—

> . . . . or may make further amendments to the Bill consequent upon the rejection of its amendments. . . .

Senator MCGREGOR.—Our amendment negatived a portion of the clause.

Senator CLEMONS.—I am sure that Senator McGregor will agree with me, that Senator Pearce is quite entitled to propose a new amendment as an alternative—though all amendments, practically, are alternative—to the amendment to which the House of Representatives has disagreed. But, in the other case, he must propose a consequential amendment—one that has become consequential because of some action of the Senate, immediately preceding the motion he desires to make. I emphasize the point, that "consequent" is inserted for some reason, because, if it be omitted, the standing order remains good English. Senator Pearce cannot proceed with his amendment unless it is purely consequent on something we have just done.

Senator MCGREGOR.—It is consequent on the action of another place.

Senator CLEMONS.—That is not the point.

Senator PEARCE.—It is consequent on the rejection of our amendment.

Senator Sir JOSIAH SYMON.—The amendment is not rejected until we agree not to insist.

Senator CLEMONS.—I submit that if it be purely a consequent amendment, Senator Pearce may move it, but if it is not consequential, he must submit a new amendment as an alternative.

Senator PEARCE.—Do we reject our own amendments?

The CHAIRMAN.—The Attorney-General has raised what is, to me, a very interesting and somewhat intricate point. If, after my ruling, any senator disagrees with me, I shall not feel at all hurt, either on this occasion, or, indeed, I hope, on any other occasion. I shall not take any disagreement with my ruling as a personal matter, but would almost invite some honorable senator to raise the question, in order that we may have the opinion of the President. Senator Symon submitted to the Senate a motion to the effect that the Committee should not insist on amendment No. 3, which has been disagreed to by

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the House of Representatives. Standing order 130 is as follows:—

A question having been proposed may be amended—(I) By leaving out certain words only; (II.) By leaving out certain words in order to insert or add other words; (III.) By inserting or adding words.

Under that standing order Senator McGregor submitted an amendment to leave out the word "not," and that amendment was negatived. Senator Pearce now desires, under this standing order, to add certain words to the motion proposed by the Attorney-General.

Senator PLAYFORD.—And to strike out the greater portion of the clause.

The CHAIRMAN.—Senator Pearce desires to amend the motion, by striking out certain words and by adding others. It appears to me that that is the most convenient and proper method of dealing with the rejection of the Senate's amendment by the House of Representatives. If we carry the motion proposed by the Attorney-General, we shall, in my opinion, have disposed of that particular question, and I cannot see how, having accepted the House of Representatives' decision with regard to that amendment, we can deal with the question again. Standing order 277, which has been quoted, states that the Senate may—

Insist on its amendments.

Certain members of the Committee do not propose to insist on the amendment, which was that we should leave out the second paragraph. Some honorable senators say, "We will not insist on that, provided we can insert certain words in the paragraph." I take it that Senator Pearce, who proposes the amendment, is entitled to do so under this provision of the standing order—

or may make further amendments to the Bill consequent upon the rejection of its amendments.

Consequent on the rejection by the House of Representatives of our amendment to leave out certain words, Senator Pearce takes certain action. The honorable senator proposes that we should not insist on our amendment for the retention of these words, except in so far as a portion of them is concerned, and we should submit to the House of Representatives a modification of our first proposal. I, therefore, rule that Senator Pearce is in order in moving his amendment.

Senator Sir JOSIAH SYMON.—I respond to your invitation, sir, and hand in an objection to your ruling in order to obtain the opinion of the President.

In the Senate:

The CHAIRMAN OF COMMITTEES.—Senator Pearce having moved an amendment to the question—

That amendment No. 3, disagreed to by the House of Representatives, be not insisted on.

and the honorable senator's amendment being as follows:—

To add to the motion the words "but that the amendment be amended by inserting after the word 'given' in the first line, the words 'if in the opinion of the Court the members of the organization applying for preference are in such a minority of those affected by the award that the granting of such preference would prejudice the interests of the majority,'"

and leaving out the rest of the words, Senator Symon raised the point that the amendment is not in order. I gave a ruling that Senator Pearce was in order, because under standing order 227 the Senate might insist on its amendment, might not insist on its amendment, or might make further amendments to the Bill, consequent upon the rejection of its amendment. It appeared to me that if we disposed of the question proposed by Senator Symon, honorable senators would not have an opportunity of moving an amendment.

Senator Sir JOSIAH SYMON.—I am aware, sir, that you have fortunately been in the Chamber during the discussion, and I do not therefore propose to deal with the point of order at length. I point out that there are two questions, one more or less of form, and the other of substance. As to the substance, I invite your attention to what the amendment is. It is a direct negative of the Senate's amendment to which the House of Representatives has disagreed. The amendment disagreed to by the House of Representatives was the omission by the Senate of the words—

No such preference shall be directed to be given unless the application for such preference is, in the opinion of the Court, approved by a majority of those affected by the award who have interests in common with the applicants.

That is the principle of the majority—that no preference shall be granted unless it is approved by the majority.

Senator MULCAHY.—Those are the words we struck out.

Senator Sir JOSIAH SYMON.—Yes, and those words have been re-instated by the House of Representatives.

Senator GIVENS.—I rise to a point of order. The question we are now discussing is whether Senator Pearce has the right to move an amendment at this stage, not whether he has the right to move this particular amendment.

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Senator Sir JOSIAH SYMON.—It is this particular amendment with which we are dealing.

The PRESIDENT.—So far as the report of the Chairman of Committees is concerned, I think the amendment was not mentioned.

Senator PEARCE.—The Chairman of Committees read the amendment.

The PRESIDENT.—I overlooked that. If the Chairman of Committees read the amendment, Senator Givens cannot raise the point of order he has taken.

Senator GIVENS.—The question was not whether this amendment was in order. The point of order raised against Senator Pearce was that he had no right to move any amendment at this stage.

The PRESIDENT.—Senator Givens must see that I cannot permit any discussion of what took place in Committee. All I have to deal with is the report of the Chairman of Committees. The Chairman has made a report, and I am asked to give a ruling on a certain point.

Senator Sir JOSIAH SYMON.—I objected to the decision of the Chairman that the amendment moved by Senator Pearce was in order, and that it might be moved upon the Senate's amendment, with which the House of Representatives has disagreed.

Senator GIVENS.—That is not what the honorable and learned senator objected to at first.

Senator Sir JOSIAH SYMON.—Of course I argued the point at large.

Senator CROFT. — The honorable and learned senator objected before Senator Pearce had stated his amendment.

Senator Sir JOSIAH SYMON.—That is so; but Senator Pearce would not have that. He insisted upon reading his amendment, and upon moving it. I am very much obliged to the honorable senator, because we do not desire that there should be half-a-dozen discussions about it. The amendment disagreed to by the House of Representatives was the striking out of the proviso which I have read. The amendment moved by Senator Pearce is in direct conflict with that. The honorable senator proposes to insert after the word "given" these words—

> "if, in the opinion of the Court, the members of the organization applying for preference are in such a minority of those affected by the award that the granting of such preference would prejudice the interests of the majority."

That is a direct negative.

Senator MCGREGOR.—No; it is a modification.

Senator Sir JOSIAH SYMON.—I contend that it is a direct negative.

Senator GIVENS.—Why should the honorable and learned senator be afraid of the discussion of the amendment?

Senator Sir JOSIAH SYMON.—Why should we discuss it? The matter might go on to all eternity if this can be done. The proposal we make now is to send down to the other House, not an alternative, but a direct negative of our own amendment, which, when previously sent down, was rejected. I point out that if Senator Pearce's amendment is agreed to, the words appearing in the proviso—

> unless the application for such preference is, in the opinion of the Court, approved by a majority of those affected by the award who have interest in common with the applicants,

must be struck out as a consequential amendment. My honorable friend's amendment, which begins by using the words of my motion, "that the Senate does not insist on its amendment," repeats the later matter in another form of words, that we do not insist, but substitutes something which is a direct negative.

Senator PEARCE.—No.

Senator Sir JOSIAH SYMON. — We are asked to strike out the provision that preference is not to be given unless, in the opinion of the Court, it is approved by a majority, and to substitute a new rule that, unless in the opinion of the Court the members of the organization applying for preference are in such a minority of those affected by the award that the granting of such preference would prejudice the interests of the majority. It is a very ingenious contrivance to negative what we have already sent down to the House of Representatives, and what the House of Representatives has disapproved. That is the matter of substance. I venture to submit that the proposed amendment cannot be put. The other point is that if the amendment were otherwise in order, it is hopelessly in antagonism with the provisions of standing order 227, the first paragraph of which provides for amendments by the Senate, which come back to us disagreed with, and the second paragraph, which provides for amendments by the House of Representatives on our amendments. As to the latter, we may make any amendment we please on the amendment of the House of Representatives; but, as to the former, there is no provision for our making any

such amendment on our amendment, but we may make an amendment consequent upon the rejection of our amendment.

Senator McGregor.—We may make further amendments to the Bill.

Senator Sir Josiah Symon.—That is so; consequent, not upon our amendment, but upon the rejection of our amendment.

Senator McGregor.—Any amendment is consequent on rejection.

Senator Sir Josiah Symon.—No. If some subsequent clause which was associated with the amendment required to be altered in some way to make the Bill consistent, that alteration could be made, because it would be consequential. That is what the standing order provides for. I venture to submit, with great respect to the Chairman of Committees that, first of all, on the matter of form, if we could amend our amendments in this way, there would be no finality at all. And secondly, on the question of substance that this is not an amendment which can be moved at this stage.

Senator Pearce.—The Attorney-General has seen fit to strengthen his position by taking up new ground. Evidently it is a clear indication that he has found his first premises to be wrong. In Committee, he was content with the one point, namely, that the amendment was inconsistent with standing order 227; but he now finds that a further point is necessary in order to strengthen his weak position, and, therefore, he submits that the amendment if any amendment is permissible, is out of order because of its substance. The first amendment, which was rejected by the other House, provided that a union applying for preference must prove to the Court that it had a majority. That precaution was taken, it was said, to safeguard the interests of the majority. My amendment does not go so far as that, but it is in the same direction, in that it gives a certain instruction to the Court. The same principle is involved in each amendment; but my amendment is not so drastic as the previous one. If the Attorney-General's statement is correct, what is the meaning of these words in standing order 227—

> or propose new amendments as alternative to the amendments to which the House of Representatives has disagreed.

If the earlier portion of the standing order means what the Attorney-General has said, the portion I have just quoted is not required. If the second alternative means that having disposed of the motion of the Attorney-General, I should have to propose my proposition as a new amendment, the latter words of the standing order are not required. I take it that the second paragraph is meant to fit such a case as this, and that the third paragraph allows a new amendment to be moved as an alternative to the amendment to which the other House has disagreed.

The PRESIDENT.—Before giving a decision, I wish to call the attention of the Senate to the theory which underlies Bills in their passage through the two Houses, and particularly to the theory with reference to amendments. It is a well understood law of every Parliament that any clause, or part thereof, which has not been agreed to by both Houses, is open for discussion. We should construe our standing order with that theory in our mind. In this case, the Senate left out a proviso; the other House disagreed to our amendment, and, therefore, the proviso is still open for discussion. The Attorney-General moved that the amendment be not insisted on, and referred to standing order 227, to show that on that motion Senator Pearce cannot move an amendment which would in effect substitute for the proviso which the Senate struck out, another proviso. If we look at standing order 227, we shall see that it applies to this case—

> The Senate may—
> 1. Insist or not insist on its amendments;

So far that is quite clear.

> or may make further amendments to the Bill consequent upon the rejection of its amendments.

From that second clause, it seems quite clear that if the Senate is to make further amendments to the Bill, consequent on the rejection of its amendment by the other House, it has first of all not to insist on its amendment, otherwise it would not be consequent upon the rejection of the amendment. I take it that the words "consequent upon the rejection" mean a further amendment *pari materia*, that is, any relative amendment which will flow from the rejection of our amendment. Then we come to the third clause of the standing order —

> or propose new amendments as alternative to the amendments to which the House of Representatives has disagreed.

It is quite clear that if the Senate is to propose an alternative amendment, it will have to dispose in some way of its original amendment. The Senate cannot say that

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it adheres to the original amendment, and at the same time propose an alternative amendment. Now we come to the procedure. I take it that the procedure ought, if possible to be fitted in to the theory I mentioned, and the standing order. I think that Senator Pearce ought to have an opportunity of moving this alternative proposal, and that therefore it is in order, provided that in substance it is not objectionable. So far as the procedure is concerned, it does not appear to me to be a matter of very much importance, because I think that the Chairman will be able to devise a proper procedure by which this alternative amendment can be moved by Senator Pearce, and if carried, sent down to the other House.

The CHAIRMAN OF COMMITTEES.—Supposing that it be decided not to insist on leaving out these words, how will it be possible for Senator Pearce to carry his proposal to insist on the amendment with an amendment?

The PRESIDENT.—I understood that Senator Pearce moved to add certain words to the motion not to insist on the amendment made by the Senate. I think that the honorable senator can do that.

Senator Sir JOSIAH SYMON.—Your ruling, sir, is that my motion to insist on the amendment shall be first disposed of.

The PRESIDENT.—The motion can be amended.

Senator Sir JOSIAH SYMON.—But if it be decided not to insist on the amendment, then Senator Pearce can move his amendment by way of an alternative.

The PRESIDENT.—What I said was that on that motion it is competent for Senator Pearce to move that certain words be added thereto.

Senator Sir JOSIAH SYMON.—His proposal involves not merely adding words, but also striking out words from the amendment on which he pledges himself not to insist. He begins by saying that he does not insist, and ends by proposing to insert certain words in the amendment. If the Senate decides to insist on its amendment there will be no need for a further motion. If, on the other hand, it does not insist on its amendment, then Senator Pearce can move any amendment which is regular and within the standing order.

The PRESIDENT.—I think I can see an easy way out of that difficulty. If Senator Pearce would move to add to the present motion the words "but proposes an alternative amendment to the following effect" it would not be a contradiction in terms of the motion, and at the same time it would have exactly the same effect.

Senator Sir JOSIAH SYMON.—That would depend, first, upon whether the alternative he proposed was in order.

The PRESIDENT.—Yes.

Senator Sir JOSIAH SYMON.—And, secondly, upon whether it was consistent with the motion not to insist on the amendment.

The PRESIDENT.—It seems to me to be quite consistent. Practically, the Senate would say to the other House, "We sent you an amendment, to which you did not agree. We have decided not to insist on our amendment, but to send you an alternative amendment, which we should like you to discuss." That seems to me to be perfect common sense, and in accordance with the standing order. The second point taken by the Attorney-General is that the alternative amendment which Senator Pearce wishes to propose is contrary to the original amendment. I do not see that the standing order prevents that course being taken. If an alternative amendment can be moved concerning that subject-matter, as I think it can, then an alternative amendment can be moved, which is necessarily different from the original amendment, to which the other House has disagreed. I agree with the Chairman of Committees that if Senator Pearce puts his amendment in proper form it can be moved.

In Committee:

Amendment, by leave, withdrawn.

Senator PEARCE (Western Australia).—I move—

That the following words be added—"but, as an alternative, proposes to insert after the word 'given' in line 1 the words—'if, in the opinion of the Court, the members of the organization applying for preference are in such a minority of those affected by the award that the granting of such preference would prejudice the interest of the majority,' and that the remainder of the clause be left out."

This amendment will get over the objection that this course may lead to the rejection of the Bill, because if it is carried there must be an interchange of messages.

Senator Sir JOSIAH SYMON.—Senator Pearce's proposal is absolutely contradictory, and I must ask for the ruling of the Chairman upon it on a point of order. The motion is that the Committee do not insist on its amendment. That means that the proviso stands in the Bill. To that

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Senator Pearce proposes to add: "But that there be inserted, as an alternative," another and totally different provision.

Senator PEARCE. — Is Senator Symon warranted in raising another point of order on the point which has just been decided? I have adopted the exact phraseology which the President indicated, and surely the Attorney-General cannot be in order in again raising the same point as the President and the Chairman of Committees have given decisions upon.

Senator Sir JOSIAH SYMON.—This is not the same point. The President expressly said that there was no objection to Senator Pearce submitting his proposal so long as he put himself in order. My point is that he has not put himself in order, and that it is impossible for him to submit this proposal, because the first part of it declares that the proviso shall stand in the Bill, and then goes on to provide as an alternative something quite different. I wash my hands of all responsibility for making the Senate ridiculous if we carry this proposal.

Senator PEARCE.—Why not accept the ruling of the President?

Senator Sir JOSIAH SYMON. — I do accept it, but I protect myself against the possibility of the Senate making itself ridiculous by agreeing to leave in the Bill a proviso, and then suggesting an alternative of a contradictory character.

Senator CLEMONS.—I am sure that Senator Pearce would not like to be the author of an amendment which would read in such an extraordinary way as would the one under consideration. It would be impossible for the Senate with any respect for itself to transmit such a message, as it would render necessary to the other place. Really, it would be a disgrace to us if the Bill went down in that condition.

Senator PEARCE.—I hope the Senate will not be led away by the legal subtleties of the Attorney-General and Senator Clemons. The attempt on their part can be termed nothing else than that. Senator Symon's motion is that we inform the House of Representatives that we do not insist on our amendment. My amendment adds that we propose, after the word "given," that certain words be inserted. We do not propose to strike out anything, or to add anything. We merely suggest an alternative. Our message sent to the House of Representatives would intimate that the Senate does not insist on its amendment to strike out the sub-clause, but proposes an alternative that certain words be inserted after the word "given," in that sub-clause, and that the remaining words be struck out. The meaning of that is that the two sub-clauses would come before the House of Representatives together. Nothing would be struck out. An alternative would be offered. In the face of the clear ruling of the President, it comes with very bad grace for the Attorney-General to wind these legal subtleties around the subject. I trust that the better feelings of the honorable and learned senator will prompt him to withdraw his objection.

Senator Sir JOSIAH SYMON.—I think we shall be covering ourselves with ridicule.

Senator CLEMONS. — I am really very sorry that Senator Pearce should think that my attitude is due to a desire to obscure the subject with legal subtleties. We have either to insist on our amendment leaving out the proviso or not to insist. We have decided that it shall remain in. How, then, can we add the words that Senator Pearce proposes, and make any sense of the position? It is impossible. I have no concern, except that our message shall be intelligible. The message would not be intelligible if Senator Pearce's proposal were carried, for the simple reason that we have decided that the proviso shall remain in, and Senator Pearce asks us to add a contradictory proviso. I am sorry that he should think that I am trying to interfere with him unfairly when I am simply speaking in the interests of the whole Committee.

Senator McGREGOR.—I desire to show that Senator Pearce is merely acting in the interests of the Bill. If business is being delayed, it is due to the want of judgment of the Attorney-General. When the President was giving his ruling, the Attorney-General was on his feet three or four times when he had no right to be speaking. I am showing the unreasonableness of his opposition to what is proposed. I also wish to show that we have a right to carry such a proposal as Senator Pearce has made. The Bill came up from the House of Representatives, and we amended it by striking out the proviso which is the subject of this trouble. The Bill went back to another place. Another place says, "We want this proviso in the Bill." The Attorney-General moves that the Committee

does not insist upon its amendment, striking out the proviso. Senator Pearce is endeavouring to persuade the Committee to say that we shall not insist upon the proviso being struck out, but that we wish the House of Representatives to consider an alternative. Is there anything unreasonable in that? Is it contrary to the Standing Orders? It is the best thing we can do. We know that we cannot carry what we should like; therefore we propose to ask another place to consider this alternative.

Senator Sir JOSIAH SYMON.—But it is proposed to strike out an essential part of this proviso.

Senator McGREGOR.—We are not proposing to strike out anything. We simply offer another place an alternative, and suggest that they should be good enough to accept it.

Senator Sir JOSIAH SYMON.—The proposal asks the members of the House of Representatives to swallow their own decision.

Senator McGREGOR.—That is their business, not ours.

Senator Sir JOSIAH SYMON.—But they will tell us that they have already decided.

The CHAIRMAN.—I see very little difference between this point of order and the point of order raised previously. Senator Pearce, in response to an invitation from the President, asked leave to withdraw his amendment, with a view to an alteration. The amendment was altered by the addition of the words " as an alternative proposal to," and by the omission of the words "the amendment." Personally, I think it would have been better to leave in the words " the amendment," because there would then have been a clear indication of what is proposed. But, as I say, there is little difference between the amendment before us and the amendment which Senator Pearce withdrew. Senator Pearce proposed to add to the motion of the Attorney-General the words—

but, as an alternative, proposes to insert after the word "given," in line 1, the words, "if in the opinion of the Court the members of the organization applying for preference are in such a minority of those affected by the award that the granting of such preference would prejudice the interests of the majority."

Senator Pearce then proposes to omit the remainder of the proviso. The alteration may possibly affect the vote which may be cast either way, but I must say that I think the amendment is in order.

Senator PLAYFORD.—The words " proposes to insert " are objectionable; we do insert.

Senator PEARCE (Western Australia).—The amendment is governed by the first words, in which it is declared that we propose an alternative, and we must indicate to the other House what the alternative is. We say that we do not insist on the amendment to omit the proviso, but propose, as an alternative, that after the word " given," certain words should be inserted, and the remainder of the clause struck out.

Senator PLAYFORD.—We do not propose to insert, but do insert.

Senator PEARCE.—I cannot see the meaning could be differently expressed.

Senator CLEMONS.—If we use the word " proposes," we practically ask the other House if we may insert the words.

The CHAIRMAN.—The other House might send back the message, " As you propose to do this, you had better do it."

Senator PEARCE.—I have learnt to be wary of lawyers' advice, and thought it best to listen to Senator Playford; and, perhaps, the amendment to the motion may be altered in the way suggested. By leave, I will amend the amendment, so that it will read—

" but that there be inserted as an alternative "—

Amendment amended accordingly.

Senator PEARCE.—It was argued that the proposal to insist on the amendment might mean the loss of the Bill, but that argument cannot be used in regard to the present proposal, for the reason that it will have to be debated by another place, and a message sent to the Senate.

Senator Sir JOSIAH SYMON.—The effect would be exactly the same.

Senator PEARCE.—The new proposal deals with a phase of the question which has not been before the House of Representatives, and there is no doubt that an opinion will be expressed as to its merits. We, as the sister branch of the Legislature, ask the House of Representatives to express an opinion, and, surely, we are not to assume that that Chamber will give us such a " slap in the face " as to refuse to comply with the request? That being so, what

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are the merits of the motion? The argument was that we do not desire to give preference to less than a majority, because injustice might then be done to those who are outside the union. I now propose to empower preference to be given to a minority, provided the granting of it does not do injustice to the majority; and I think that is a proposition the other House will accept. At any rate, it is a proposition which should be accepted by those who are in favour of striking out the whole of the proviso. I hope we shall arrive at a satisfactory settlement in connexion with this clause. I should have preferred a conference of the two Chambers; but, in regard to a proposal to that effect, the fear of losing the Bill operated. We have now an opportunity to approach the other House by way of message.

Senator Sir JOSIAH SYMON.—I join with Senator Pearce in the hope that we shall put an end to trifling with the subject, and arrive at a settlement at once. The substantial matter in conflict between the two Chambers is the principle of giving preference only where the application, in the opinion of the Court, is approved by the majority of those affected by the award, who have interests in common with the applicant.

Senator TURLEY.—That it is impossible to prove.

Senator Sir JOSIAH SYMON.—We are not dealing with that matter now. The issue between the two Houses is as I have stated. The House of Representatives, after three opportunities for debate, has reinstated this proviso, and we have had a motion before us declaring that we do not insist on its omission. That is to say, the proviso will remain in the Bill, if we give way to the House of Representatives in this respect.

Senator McGREGOR.—We have not decided that matter yet.

Senator Sir JOSIAH SYMON.—We have; the honorable senator asked for a definite vote of the Senate on a proposal to omit the word "not."

Senator McGREGOR.—But the Attorney-General's motion has not been carried.

Senator Sir JOSIAH SYMON.—The honorable senator moved the omission of "not," and on that amendment we voted to determine whether or not we should insist on the amendment.

Senator McGREGOR.—No.

Senator Sir JOSIAH SYMON.—What is the use of wasting time in this way?

Senator McGREGOR.—But the Attorney-General's motion has yet to be put.

Senator Sir JOSIAH SYMON.—That is a mere matter of formality. What did the honorable senator mean by moving the omission of the word "not"? He desired that the motion should stand that we do insist on our amendment; but the Senate has determined, by the rejection of the honorable senator's amendment, that we shall give way to the House of Representatives, and that the proviso shall stand. Now, Senator Pearce moves the same proposal in another form—a proposal to strike out the proviso; that is, the honorable senator moves to strike out the only essential part of the proviso which, as honorable senators know, comes after the word "given." Senator Pearce is simply asking the Committee to reverse its decision that we do not insist on the amendment. The honorable senator cannot carry his own proposal, because it begins with the declaration that the Committee do not insist on the amendment.

Senator PEARCE.—Why worry, if the amendment cannot be carried?

Senator Sir JOSIAH SYMON.—If the honorable senator is satisfied, I should be glad if he were to withdraw his amendment, which merely says in another way that we insist on our original amendment. The Committee will stultify itself if it votes for the present amendment, after deciding that the word "not" shall be retained. The object is to sweep the proviso away, not by the omission of the word "not" in the motion, but by declaring the intention in so many words. Senator Pearce proposes to insert the words—

> ". . . . . if in the opinion of the Court the members of the organizations applying for preference are in such a minority. . . . ."

That is a totally different basis—one which, so far as I know, has never been laid down by any Arbitration Court in Australia. The proposed amendment proceeds—

> . . . .
>
> —are in such a minority of those affected by the award that the granting of such preference would prejudice the interests of the majority.

That is a new and complicated proposal which, if at all, should have been submitted some weeks ago, or in the other House. It is surely an indirect way of seeking to accomplish what Senator McGregor declares to be the underlying object, namely, to

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re-open the whole question in another place on a motion for a conference. Such a motion, however, would have been perfectly futile. The proposal would have been in the hands of another place without any control by us; and our duty now is to either agree or disagree to the amendment. Senator Pearce says that his proposal does not involve the loss of the Bill, but, in my opinion, there is just as much danger from that point of view as there was in regard to the previous proposal, because it is sought to reject what the House of Representatives insists on.

Senator PEARCE.—I propose an alternative.

Senator Sir JOSIAH SYMON.—The proposal rejects what the House of Representatives insists on.

Senator PEARCE.—No.

Senator Sir JOSIAH SYMON.—Clearly; the subsequent words are to be struck out, and we ask the House of Representatives to adopt something which is not majority rule at all. Exactly the same question in substance is involved as in the amendment on which the Senate has divided, and I hope that we shall at once arrive at a determination.

Senator McGREGOR (South Australia). —The Attorney-General, though not intentionally, is scarcely putting the position fairly to the Committee. The honorable and learned senator knows very well that his motion has not yet been put. He is old enough as a politician to know that I moved my motion in the form I did so as not to deprive any honorable senator of the opportunity to move a subsequent amendment. Had I not afforded this opportunity to the Committee to adhere to its previous decision, the Attorney-General's motion would have been put and carried, and there would have been no chance to move an amendment. My amendment was defeated, but the motion has not yet been put, and we have the right to amend the latter in any way we choose. Honorable members in another place have not been given an opportunity to consider Senator Pearce's amendment. As the Bill came to us it did not matter what happened, if there were not a majority in favour of preference it could not be granted. But that is not all that is required. It has been pointed out many times that if the members of an organization which has taken steps to secure an improvement of conditions are not protected, they will be dismissed by their employers. We have known that to be done, and many of us have had personal experience of it. We desire now that the Court shall have power, not only to say that, where a majority is proved to be in favour of preference, it shall be granted, but that if there is not a majority in favour of preference, and the circumstances are such that even a minority is likely to suffer injustice as the result of an endeavour to secure improved conditions, that minority shall be protected. The amendment would give the Court power to say, "There is only a minority applying for preference; but, seeing that those who compose it might be seriously prejudiced on account of their action in this industrial matter, that they might be discharged, penalized, or put on the black list by employers, the granting of preference to them will protect them, while it will in no way injure the majority engaged in the industry. We shall therefore grant the award of preference applied for as an act of justice, and for the protection of the applicants, because if it is not granted they will be penalized." That is the true position. I know that honorable senators do not desire that injustice should be done to any one. What we do desire is such an amendment of the proviso already contained in the Bill as will give power to the Court to protect applicants for preference. Honorable members in another place should have an opportunity to consider whether this is a fair proposal, and to suggest, if they should think it wise to do so, some further alteration. The object is to give protection to the minority, without injuring the majority, and to give another place a further opportunity to do justice to those who are praying for justice. I am quite sure that if the majority of honorable senators, fair-minded men as most of them are, knew as much about unionism and the working of organizations as do honorable senators on this side, they would not refuse consideration for unionists in connexion with a Bill of this description. Senator Pearce, and those who are acting with him, would be amongst the last in the world to do an injustice either to the majority or the minority, and what we desire is that a minority of unionists may not be penalized by an Act of Parliament.

Senator TURLEY (Queensland).—I do not see how any objection can be urged against the amendment. The Committee should be prepared to give honorable members in another place an opportunity to consider the proposal which is now made by

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Senator Pearce. It has been contended all along that it is necessary that there should be a majority in favour of preference before an award of preference is made. We have pointed out that that is a próvision with which it is impossible to comply. We have shown that it would be impossible for organizations to submit evidence which would convince the Court that a majority of those likely to be affected by an award are in favour of preference. The Attorney-General has urged, by way of interjection, that this is only "in the opinion of the Court." That argument has also been used in another place. It is natural to suppose that under the provision in the Bill the Court would require to be satisfied by evidence that a majority of those who are likely to be affected by the award are in favour of the grant of preference. I am convinced that honorable senators who have read the report of cases tried in the New Zealand and New South Wales Arbitration Courts will admit that awards have been given in numbers of cases where it would have been absolutely impossible for the organizations applying for them to prove to the satisfaction of the Court that a majority of the persons interested in those awards were in favour of preference. Yet that has not prevented the New Zealand and New South Wales Courts from granting awards of preference to unionists where it has been shown that unionist workmen as competent as persons outside their organizations are available for employment. The amendment now proposed will give the Court greater scope to decide in favour of the men who all along have had to bear the brunt of the battle in forming organizations sufficiently strong to secure registration under this Bill. They would under this amendment be able to secure preference for the work they have done, without prejudice to the interests of those outside their organizations. When any award is given to an organization connected with an industry, it must be remembered that persons engaged in subsidiary industries will be affected by that award. For instance, if the members of the Seamen's Union were to take part in such a strike as the maritime strike, and the dispute were brought before the Arbitration Court, every honorable senator must admit that the award given in such a case would affect to some extent the interests of men employed in all kinds of work along the water-side.

Senator DAWSON.—Whether in the union or out of it.

Senator TURLEY.—Every award of the kind must affect in some way the interests of men engaged in subsidiary industries. Senator McGregor has forcibly reminded the Committee that the amendment is intended to protect unionists from being victimized. Every member of the Committee is aware that on many occasions men who have taken the trouble to organize their fellow-workmen, and who have been charged with the responsibility for causing disputes —though in my experience the men at the head of trade organizations have endeavoured at all times to prevent disputes— have been victimized. When the great maritime strike was brought to a conclusion, some of the best workmen in Sydney, who had been working along the water-side for years, had to go to the offices of the Shipowners' Association, in Kent-street, and declare that they were not members of the water-side organizations, and that they had left the unions, and on that declaration they received a ticket which enabled them to secure employment. I am glad to say that there were numbers of men who had been members of trade organizations for years who refused to declare that they were not unionists, and to my own knowledge they were victimized by being refused employment for months.

Senator CROFT (Western Australia).— Our desire to include some system of protection or preference to unionists has reached a stage when I think that the objections urged by honorable senators on the other side have been fully met. In the early stages of the Bill they pointed out that we were trying to secure a particular preference for a minority of workers in an industry. Even if that were so—and I do not admit that it is—they must now admit that the amendment of Senator Pearce does away with their argument. They must recognise that what we are aiming at is to protect unionists from being victimized by unscrupulous employers. Although there are good employers, still there are a number of employers who are prepared to victimize any men who have taken part in a strike or action in the Arbitration Court. From my knowledge of the Western Australian Act, I hold that even with the amendment of Senator Pearce, and I intend to vote for it, this would not be a good measure. Without that provision the law would be absolutely worthless. If I may not vote against the return of the Bill unless it be amended in this

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direction, certainly I shall be found using my voice with the unions in my State not to register. I believe that my recommendation will have considerable weight with unionists. It is unlikely that I could appreciate this measure when I know that the State Act is a better one. Both in Western Australia and in New South Wales the Arbitration Act is effective in securing the settlement of disputes and preventing unscrupulous employers from victimizing certain unionists. I know that some honorable senators will urge that, even if the Bill be not a good one, it should be placed upon the statute-book in order to establish a principle. I submit that the principle is already established in the minds of the people of the Commonwealth, and that we are not justified in placing upon the statute-book a bad law in order to establish a good principle. In Western Australia public opinion favours the Arbitration Act. When some amendments were recently made in the Legislative Assembly no attempt was made by the tory element in the State Parliament to make the Act less effective than it has proved to be. Notwithstanding that fact, one of its representatives here, Senator Smith. without offering any reasons, seeks to prevent a portion of this measure from giving protection to the very men whom he knows so well and who worked so hard to secure his election. He is well acquainted with the trend of public opinion in the State. He knows that the people favour an Arbitration Act which gives preference to unionists, not merely because they are unionists, but because they have done so much to secure better conditions and higher wages for non-unionists and unionists alike. He is not correctly representing the public opinion of the State in the vote which he recorded to-night, and the vote which I understand he intends to give against this amendment. I appeal to honorable senators on the other side to consent to send this amendment down to the other House, and thus give our friends there an opportunity to meet our views on this great principle.

Senator McGREGOR (South Australia).—I hope that before a final vote is taken on this question honorable senators will reconsider the position. All along, in our humble way, we have endeavoured to present the situation in its truest light, but they have always seemed to think that we desire to get our own way with the Bill. That is not the case. It seems to be thought that because we have obtained a concession in connexion with the political rights of organizations we ought to be quite satisfied. That is only a very insignificant necessity in connexion with arbitration, compared with the position in which a union would be placed if it were small in numbers. Let me give a concrete instance. Suppose that a particular trade in Australia employed 2,000 men, of whom 400 were organized and 1,600 were not organized. Only a minority of those engaged in the trade could bring a question before the Arbitration Court, although it might concern both non-unionists and unionists, and unless the Court was assured that a majority was in favour of preference being granted it could not be given. What would the result be if an award were given against the employers? The good employers might take no notice, but the employers who were bitterly opposed to the working man would presently find an excuse for discharging first the secretary of the union, then the president, and next other prominent members. In a very short time there would be no union, and the whole object of the Bill would be entirely defeated. What have we sought all along to secure? We wish the Bill to provide that even if a minority engaged in an industry brought a case before the Court, and a decision were given, that minority should not be prejudiced because of its action, and that the Judge could give preference, even to the minority, so long as it did not prejudicially affect the majority of those who were engaged in the trade. Could anything be fairer than to intrust that power to the Court? We all desire to show some result for our labours, and to bring this session to a close as harmoniously and as quickly as possible. I am assured that if a provision of that description were adopted by the Senate it would receive consideration in another place, and that the two Houses might be able to come to a compromise. I wish honorable senators to dissociate clause 55 from clause 40, because the concession granted in the former has nothing to do with the preference asked for in the latter. I believe that if we were able to present our proposal with such ability as the Attorney-General has displayed in his endeavour to thwart our intentions it would be carried here by a large majority. I would point out to the Attorney-General—and I do not use these words as a threat, because we have no intention to do anything which is unfair—that the session would be brought to a close much sooner if we could only arrive at a compromise.

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Senator HENDERSON (Western Australia).—It appears to me to be obvious that a few inconsistencies are being imported into the discussion, even at this late stage. The Bill went down to another place in a certain form. Certain amendments were embodied in it. Those amendments have, in some cases, been rejected by another place. The Bill is sent back to the same House as previously considered it. But strange to say, while we cannot recognise any combination of events which should cause a change of principles on the part of honorable senators, yet, on what may be called the vital principle of the measure, some of those who originally cast their votes in one direction, have sufficient elasticity of conscience to vote on the other side now.

Senator MULCAHY.—That is what every legislator has to do, and does wisely, in his life-time.

Senator HENDERSON.—I have heard it said that a politician never has a principle, and that if he has one, he is of very little use as a politician. That interjection leads me to remark that the suspicion which I expressed at an earlier stage of the debate was fairly well founded, namely, that the cry for arbitration for the prevention and settlement of industrial disputes is merely formal, and has not genuinely entered into the minds of all those who use it. For the life of me, I cannot see that anything has taken place that ought to alter the attitude of honorable senators. But some of them appear to reason in this way: "If we do not pass the Bill as it stands, probably another place will cast it on one side." If there is any logic in such reasoning, I fail to find it. A bad Bill ought never to be placed upon the Statute-book. A Bill that is useless ought to be thrown aside. It should be allowed to remain out of the road until such time as the country sends to Parliament men who are prepared honestly to express the convictions of the people in connexion with the question. Some honorable senators are prepared to place upon the Statute-book a Bill which is utterly worthless. It is not worth the time that has been occupied in considering it, and will never be worth the expense of printing and circulating copies of it. Yet those honorable senators are prepared to allow to pass by the opportunity to make it a worthy Bill, lest some dire calamity should befall what is at present a useless piece of projected legislation. I sincerely hope that either honorable senators will be prepared to stand by their principles, or will honestly declare that they really have no principle in connexion with compulsory arbitration. Senator Pearce's amendment clearly embodies the view that we wish to convey to another place, and I am satisfied that it represents the views of a large majority of the people who are exercising their energies in hard manual labour. Much has been said with regard to the non-unionist side of the question. It is said that the intention of the Bill is that trade unionists, by means of obtaining preference, may be able to prevent non-unionists from working at their trades. But there is not an honorable senator who does not know that every non-unionist in Australia to-day is absolutely living in the hope that the unions will continue the good work that they have been doing, and continue to exercise their influence in the direction of establishing industrial laws, and promoting conditions such as are compatible with civilization, in order that the non-unionists without paying their few coppers per week into the associations may reap all the benefits that self-sacrificing men have conferred upon them. This cry about the interests of non-unionists is the merest clap-trap. There is not a man who uses it who has ever taken sufficient interest in the question to find out what are the relationships between unionists and non-unionists in industrial life. To support Senator Pearce's amendment will be to show to the other Chamber, and to the multitude of workers outside, what our real intentions are. Possibly we may be able, after some kind of a conclave with the members of the other House, to place upon the Statute-book a Bill that will be regarded as at least a measure that attempts on common-sense grounds to reach that condition in industrial life which most men profess that they are anxious to reach, namely, a day when under no circumstances will it be possible to still the wheels of our industrial operations, either by the action of employés on the one side, or of employers on the other. I trust that honorable senators will support the amendment in order that we may bring about that good time.

Senator PEARCE (Western Australia).—Before a division is taken, I am impelled to speak on a subject to which, in other circumstances, I would rather not refer. But honorable senators must have heard and read of the very contemptuous terms in which the amendments made by this Senate were

referred to by the leader of the Government in another place. I ask those honorable senators who are aware of the language used by the Prime Minister—I suppose I ought to call him the right honorable gentleman—whether they are prepared by their votes to indorse his estimate of this Chamber?

Senator DRAKE.—I have not seen any remarks disparaging to the Senate.

Senator PEARCE.—Perhaps Senator Drake has not read what the Prime Minister said; but I consider that it was disparaging to us to say that the amendments passed by the Senate did not merit the consideration of another branch of the Legislature, because, Mr. Reid said, "It is not another branch of the Legislature that is speaking, but merely another branch of the Labour Party with a few unattached individuals."

Senator DRAKE.—That was not disrespectful to the Senate.

Senator PEARCE.—Certainly, it was most disrespectful to the Senate, because the amendments having been passed by a majority of the Committee were the amendments of the Senate. It ill-becomes the leader of the Government to refer in such terms to an important branch of the Legislature. The Senate is practically told that because an amendment originated with a certain party, it must not have the force of a declaration by a legislative chamber. Honorable members of another place are asked to put party bias before their judgment. They are not asked to judge the legislation by its beneficial effects; but are appealed to on the grounds of party hatred.

Senator FRASER.—There is no party hatred.

Senator PEARCE.—Then why is an appeal made to party hatred?

Senator PULSFORD.—Is the honorable senator not appealing to party bias?

Senator PEARCE.—I am appealing to honorable senators to rely on their own judgment.

Senator MULCAHY.—Why not deal with the amendment, and allow us to get to work?

Senator PEARCE.—I presume the honorable senator does not object to a little discussion, and he is at liberty to speak.

Senator MULCAHY.—Yes, on the amendment.

Senator PEARCE.—I am asking the Senate to vindicate its position by refusing to go the length to which they are invited by another place. The considerations on which a decision was arrived at in another place, are an insult to the Senate.

The CHAIRMAN.—I am afraid I must draw the honorable senator's attention to standing order 402—

No senator shall allude to any debate of the current session in the House of Representatives, or to any measure impending therein.

Senator PEARCE.—I may have transgressed the Standing Orders, but, at any rate, honorable senators are well aware of what took place in the House of Representatives. I ask honorable senators whether they will take care to satisfy their own minds, or whether they are prepared to let party bias decide the question. I ask honorable senators whether they will allow the fact that this amendment originated with the Labour Party, to weigh with them in their opposition to it. Have they considered whether the proposal means a satisfactory solution of the question? There are same honorable senators fond of prating that there are no parties in this Chamber. One honorable senator, on every occasion which suits him, declares that there are no party lines in the Senate; and yet I venture to say that on this amendment, he will give a vote dictated by party reasons only. There can be no other reasons, seeing that the honorable senator, when in Committee, previously voted to eliminate any qualification whatever from this clause. I refer to Senator Smith; and if he is not going to give a party vote, I ask him to tell us on the floor of the chamber, what his reasons are for reversing his decision. He cannot say that he is influenced by a fear that he may lose the Bill, because he knows that at the worst, there can only be a rejection of this portion of our message—only a reply that the House of Representatives does not agree to our amendment. When we find an honorable senator, after due deliberation, and a long debate, voting to strike out the qualification——

Senator MULCAHY.—Senator Smith advised at the start that the Bill ought to be accepted as it was.

Senator PEARCE.—After giving that advice, and saying he would vote against any amendment, he voted for the amendment with which we are now dealing. Furthermore, his vote determined the division.

Senator MATHESON.—Perhaps he did not know which side he was on.

Senator PEARCE.—Of course, the honorable senator may have made some mistake;

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but I am very much interested in the matter, and I ask him to tell us the reasons which actuate him even now, in refusing to compromise on the question.

Senator MATHESON.—" Will you walk into my parlour, said the spider to the fly"?

Senator PEARCE.—From being a free and unfettered friend of preference, Senator Smith has become an uncompromising foe of the principle, except under impossible conditions.

Senator FRASER.—Those personal accusations are not in good taste.

Senator KEATING.—Senator Smith wants to see the Bill become law.

Senator PEARCE.—Voting for the amendment will not interfere with the Bill becoming law.

Senator Sir JOSIAH SYMON.—Will it not?

Senator PEARCE.—It only means that there will be a message sent to another place, proposing an alternative.

Senator KEATING.—And we shall receive nothing back.

Senator PEARCE.—We may get a refusal to agree to the alternative, but that does not mean the loss of the Bill, because it will be still left in our power to say whether we do or do not insist on the amendment.

Senator KEATING.—We shall get back a notice of prorogation.

Senator PEARCE.—My opinion is that the other House will accept a modification, though perhaps not the modification proposed; and it cannot be said that we have done our duty until we attempt some compromise. I appeal to honorable senators to give us a practical illustration of the fact that there is no party bias in this Chamber. I make that appeal, especially to honorable senators who say that preference is necessary, and that it should not be hedged about by improbable conditions. If they are not actuated by party bias, why should they now follow the leader of the Government blindly in refusing to vote for an amendment which offers an opportunity for compromise? I know there is a conspiracy of silence on the Government benches. Government supporters were most vigorous, even on the third reading of the Bill, in their denunciations of compulsory arbitration, and they declared they were prepared to vote against the measure at every stage. Yet when such a point as the present is raised, honorable senators opposite are silent—I mean those honorable senators who follow the party whip and speak only when they are told. I am intensely anxious to know why our offer of the olive-branch is refused?

Senator Sir JOSIAH SYMON.—Where is the offer of the olive-branch?

Senator PEARCE.—In our compromise.

Senator Sir JOSIAH SYMON.—There is no compromise; the honorable senator's amendment is simply the same thing over again.

Senator PEARCE.—I know it is useless to appeal to the Attorney-General, who typifies the cold iceberg—his only idea of compromise is the crossing of a "t" or the dotting of an "i," all beyond being rank heresy. With the Attorney-General it is "the Bill, the whole Bill, and nothing but the Bill;" and that has been his attitude throughout. When the measure was first introduced, not a single amendment from beginning to end was to receive his assent. Even when I proposed an amendment which had simple justice for its object, the Attorney-General, although connected with the profession which has to do with justice, opposed the proposal, and it was only when his followers melted away, that we were able to carry it in the face of his opposition.

Senator Sir JOSIAH SYMON.—The honorable senator ought to be content.

Senator PEARCE.—From the past experience of the Attorney-General, we do not expect him to concede anything—he is not open to argument or reason on those questions. But there are other honorable senators who have taken up a certain position on the clause, and to those we should be able to appeal for an opportunity to compromise. With a compromise, while the Labour Party would not get all they want, and neither would the Conservative Party, a sort of *viâ media* would be arrived at, which would prove satisfactory to all parties for the time being. Do honorable senators think that if this amendment is not accepted we shall sit idly by and allow union officials to be victimized, and unions broken up? One of two effects must follow—either unions will not register, because of the absence of protection, and the Bill will become a dead letter, or, if they do register, union officials will be victimized by unscrupulous employers.

Senator MULCAHY.—Why should they not form other organizations?

Senator PEARCE.—Cannot the honorable senator see that those other organizations would require preference? Suppose

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the seamen organized for the purposes of this Bill.

Senator PLAYFORD.—The great majority of seamen employed now are unionists, and there would be no trouble in getting preference.

Senator PEARCE.—I am not discussing that point. Let us suppose that a separate organization of seamen was formed, and applied for preference. It would have to be proved that applicants were a majority of those affected by the award. Senator Mulcahy seems to think that only seamen would be affected; but is that so? Would not wharf labourers be affected?

Senator PLAYFORD.—Unless wharf labourers applied to the Court, they would not be affected.

Senator MULCAHY.—The Seamen's Union would not apply for preference for wharf labourers?

Senator PEARCE.—But a shipping dispute and an award would affect the wharf labourers.

Senator PLAYFORD.—In South Australia I do not believe there are half-a-dozen wharf labourers not connected with the unions, and only five minutes ago a Sydney gentleman told me that a similar state of things prevails in New South Wales.

Senator PEARCE.—The honorable senator is not fully informed in regard to the Commonwealth. In this very city of Melbourne, the members of the Wharf Labourers' Union are in a hopeless minority.

Senator PLAYFORD. — Possibly; but throughout Australia the unionists may be in a majority.

Senator PEARCE.—The point is who would be affected by an award in the case of the Seamen's Union? In my opinion the wharf labourers would be affected.

Senator BEST.—Only indirectly.

Senator PEARCE.—The Bill does not say that men must be directly affected.

Senator BEST.—But that necessarily must be the case.

Senator PEARCE.—I have had to deal with wharf labourers in union circles, and I know that quite 25 per cent. of the men in Australia are seamen who are out of work for the time being, or, for some reason or other, desire to be on land for a time. Those men remain members of the Seamen's Union, and many of them do not join the Wharf Labourers' Union. But every one would be affected by an award, seeing that in a week or two they may desire to go to sea again.

Senator BEST.—They are only affected when they are working as seamen, and not when they are labouring as wharf labourers.

Senator PEARCE.—That is to say, only those persons who happen to be working at the time have to be counted?

Senator BEST.—It is what I said.

Senator PEARCE.—That just shows the difficulty in which the honorable and learned senator places himself. Even the Senate, apparently, cannot define who would be affected, and yet we ask the Court to decide in a hard and fast way. The unions have to prove that they represent a majority, not of those working, but of those affected by the award. I proposed to remind honorable senators of the great maritime strike. It originated in the desire of the members of the Officers' Union to be affiliated with the Trades Hall Council. The ship-owners objected to that, and believed that the officers should not affiliate with associations representing the men. From that trifling difference the maritime strike resulted, and it affected not merely the officers and seamen, but all engaged in maritime occupations.

Senator DAWSON. — Including coal-miners.

Senator PEARCE.—It also affected coal-miners. Assume another maritime strike, and what are the questions which the Court would be called upon to settle?

Senator BEST.—There could not be a strike under this Bill.

Senator PEARCE.—Then assume a dispute on similar grounds to those which led to the maritime strike.

Senator PLAYFORD.—It would be dealt with by the Court.

Senator BEST.—And the question would be one between the two bodies interested.

Senator PEARCE.—They would not be the only persons affected by an award given in connexion with such a dispute. I invite honorable senators to consider the position where two trades are connected. Some ships unload cargo by means of shore labour, whilst others unload cargo by means of their crews. This is a fine point which has been brought before the Arbitration Court in Western Australia. Let us assume that a dispute in such a case is brought before the Federal Arbitration Court under this Bill. We might have the labourers engaged in unloading cargo demanding the wages paid to the crew of a ship engaged in the same work, or we might have the crew of a ship engaged in unloading cargo

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demanding the wages awarded by the Court to wharf labourers.

Senator Sir JOSIAH SYMON.—They would not be wharf labourers.

Senator PEARCE.—They would be for the time during which they were engaged doing wharf labourers' work.

Senator Sir JOSIAH SYMON.—They would merely be seamen discharging their ship.

Senator PEARCE.—If the master of a ship employed his crew in discharging cargo, they might claim to receive so much per hour, in accordance with an award dealing with the wages paid to wharf labourers. The employer would say, "No, I agreed to pay you so much a month," and the answer would be, "Yes, as seamen, but we are now doing wharf labourers' work."

Senator MULCAHY.—The honorable senator is arguing against any meddling in the matter of these disputes by law.

Senator PEARCE.—I am endeavouring to show the difficulties which might arise as the result of the sweeping provision inserted by the House of Representatives.

Senator PLAYFORD.—The honorable senator should connect the matter to which he refers with preference.

Senator PEARCE.—I have pointed out that under the Bill it is necessary to prove that a majority of those affected by an award are in favour of preference, and I am showing that persons other than seamen are affected by an award dealing with the seafaring industry. The various maritime industries are so interwoven that all would be affected by an award in the case of one. The Court might very well argue that inasmuch as all these wharf labourers are at times seamen, they should be taken into account, and the Seamen's Union, in the case of a dispute, and an application for preference, would have to prove not merely that a majority of seamen, but a majority of all persons affected by the award, was in favour of the application.

Senator PLAYFORD.—I do not think that any Judge would demand that.

Senator BEST.—We should take it for granted that the Judges would be sensible men.

Senator PEARCE.—The employers would expect them to be sensible on their side.

Senator MATHESON.—We are giving the Court specific instructions.

Senator PEARCE.—We are, and we must assume that the Court will obey them. The Court will not ask what was the intention of the Legislature, but what the Act says. The time will come when the members of this Parliament will be forgotten, but this Bill may remain on the Statute-book for a century. The Court will read the printed word, and will put its own construction upon it. With all the earnestness of which I am capable, I again appeal to the Committee to at least afford us an opportunity of mitigating the severity of this proviso. I have pointed out that there is not the slightest danger of losing the Bill. We should be given an opportunity to approach the other House in a spirit of compromise. If a compromise on this matter were arranged, no need for an amendment of the measure would arise for some time, this subject would be removed from the arena of Federal politics, and we might devote our attention to other matters of importance. On the other hand, if this proviso is allowed to remain as it stands, this difficulty will remain as a festering sore in Federal politics, and political battles will rage round it for years to come. I ask honorable senators if they regard the Senate as a non-party Chamber, to use their judgment in this matter, and to refuse to allow the party whip to be cracked over their heads, to secure their vote against this proposal, not on its merits, but merely because it emanates from honorable senators on this side. I trust that the amendment will be carried, not because we have very much to hope for from it, but because it may serve as the basis of a compromise with the other House.

Question—That the words proposed to be added be added—put. The Committee divided.

Ayes	13
Noes	15
Majority	2

AYES.

Croft, J. W.	Stewart, J. C.
Givens, T.	Story, W. H.
Henderson, G.	Styles, J.
Higgs, W. G.	Trenwith, W. A.
Matheson, A. P.	Turley, H.
McGregor, G.	*Teller:*
O'Keefe, D. J.	Pearce, G. F.

NOES.

Baker, Sir R. C.	Playford, T.
Best, R. W.	Pulsford, .E
Dobson, H.	Smith, M. S. C.
Drake, J. G.	Symon, Sir J. H.
Fraser, S.	Walker, J. T.
Gray, J. P.	Zeal, Sir W. A.
Mulcahy, E.	*Teller:*
Neild, J. C.	Clemons, J. S.

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PAIRS.

Dawson, A.	Millen, E.
de Largie, H.	Keating, J. H.
Findley, E.	Macfarlane, J.
Guthrie, R. S.	Gould, A. J.

Question so resolved in the negative.

Amendment negatived.

Senator GIVENS (Queensland).—Before this question is finally decided, it is as well that the Committee should understand exactly what it is doing. Without some effective provision for preference to unionists, this Bill is a mere sham. It is absolutely certain that unless some effective means are provided for the protection of unionists by some such provision as we have endeavoured to insert, this Bill, if it becomes law, will be a most effective means for the victimizing of unionists, if at any time they attempt to better their conditions and those of their fellow employés. In many cases personal instances have been given by members of the Committee to prove that unionists who have taken an interest in trade organizations, and have assisted to better their conditions, have been victimized at various times. We have that on the evidence of Senator Trenwith and other honorable senators, whose word cannot be doubted. Honorable senators who have taken part in agitations in connexion with the Wages Board provisions of the Victorian Factories Act have informed the Senate that men who have been the means, before these boards, of endeavouring to improve their conditions and those of their fellow employés have been victimized and compelled to roam the street vainly looking for work. I do not suppose that any honorable senator desires to assist in passing a law which will have that effect, but it appears to me that we shall not be treating unions fairly if we refuse to give them protection when they go to the trouble and expense of working up organizations which only can make this Bill effective, and insure that industrial peace for which we all profess to be so earnestly striving.

Senator WALKER.—"Virtue is its own reward," the honorable senator should remember.

Senator GIVENS.—And it is but a very poor reward on many occasions. If virtue were its own reward, it might be contended that that would be a sufficient justification for all the martyrdoms that have ever taken place. We might view them with the utmost equanimity, while we consoled ourselves with the idea that the men who suffered martyrdom were sufficiently rewarded by their own virtue. It is admitted that the Bill, as well as its effectiveness, is entirely based upon organization. Without the organization of workers and employers, there can be no reference to the Court, and, therefore, the main object of the Bill cannot be achieved. We have been engaged in trying to enact a law in the interest of, not workers or employers, but the whole community, so as to secure the much desired boon of industrial peace. Without industrial peace, the whole community will suffer; production will cease, perhaps at the most critical time; wealth will be lost in very large sums, and untold suffering will be inflicted. It behoves us, therefore, to see that the Bill has some reasonable prospect of being effective. I hold that, as it stands, it will not be effective. Those who say that they are in favour of compulsory arbitration and at the same time are striving to render its provisions nugatory, are attempting to deceive the people of Australia, when they offer them a law which they know will be absolutely useless, and profess that they desire to see a fair deal all round. What will be the result if we refuse to give some reasonable amount of protection to the men who alone can make the Bill operative? Unless disputes are brought before the Court, the Act cannot be operative. Take the case of half-a-dozen men in an organization, perhaps a new one, who take the most prominent part in its proceedings. When a case is brought before the Court by the organization, an award will be given, and those very men will be robbed of the fruits of the verdict they have won. From past experience, we know that employers, as a class, do not like men who force their hands, cause them trouble or bother, bring them before the Court, or compel them to forego a portion of their profits, or to give a slight increase in wages. Employers do not like to be compelled to do anything. What they do like is to be allowed to work out their own will, to do what they are so fond of talking about, when they say, "We want to manage our business in our own way." It is only natural to suppose that employers will have a feeling of resentment against the men who made them "toe the mark" before the Arbitration Court. The Bill provides that these men cannot be victimized by being directly discharged, because of any action they have taken under

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its provisions. In other words, it provides that they may not be victimized, because they are unionists. But there are one thousand and one different ways of choking a dog besides ramming a little butter down his throat. Employers will give effect to this feeling of resentment, by discharging the men on the first opportunity, not because they were unionists, not because they brought the case before the Court, not because they worked up the case, but for some other reason. And they will say, as they have said in hundreds of cases, "You have not been victimized." They will stand up, and in virtuous tones deny that they have been guilty of such a thing as victimizing their workmen. They will say the men were only discharged in the ordinary course of business. If it only ended there it might not be very serious, but the probability is that other employers, acting in sympathy, would refuse to employ the men, with the result that they would starve. That is what happened in my case, and in the case of Senator Trenwith, as well as hundreds of other persons. Honorable senators on the other side, who profess that they are humane, will allow this cruel wrong to be done to men who are acting in the best interests of the community in trying to insure the maintenance of industrial peace. It is manifestly unjust that the litigants should be the only men not to get any reward as the result of the verdict of the Court. Instead of being made a measure for victimizing unions, it should be made one to encourage unionism and organization. The effect of the action proposed to be taken by honorable senators on the other side is to discourage men from trying to organize unionists and to bring cases before the Court. My honorable friends "lay the flattering unction to their soul" that they are acting on behalf of the poor helpless non-unionists. How much have they done for them in the past?

Senator Sir WILLIAM ZEAL.—How much has the honorable senator done for them?

Senator GIVENS.—I have done all I possibly could.

Senator Sir WILLIAM ZEAL.—And that is precious little.

Senator GIVENS.—I have never fought for an advantage which I was not prepared to give every other workman in the same employment. Unionists have never striven to get a single advantage for themselves exclusively. Every non-unionist has shared fully in all the advantages which the unionists have won in any trade, calling, or occupation.

Senator TURLEY.—In some cases more so than the unionist, because he has obtained preference of employment.

Senator GIVENS.—After the unionist has obtained improved conditions the non-unionist comes along, and is preferred, and therefore he gets a greater advantage than the unionist. If this Bill be passed in the form desired by the Government, it will perpetuate that evil condition of things in an accentuated form.

Senator FRASER.—When all the employment is killed or destroyed there will be no labour for either the unionist or non-unionist, just as we see to-day in the coal industry of New South Wales.

Senator GIVENS.—I like to hear a great authority on economic questions like Senator Fraser give utterance to such a lucid remark. When it will not be necessary to produce any more clothes, boots, or food, no more employment will be necessary. No Arbitration Act or anything else will be needed.

Senator DOBSON.—Six hours a day and five days a week, according to Mann.

Senator GIVENS.—What about the gospel according to Walpole?

Senator Sir WILLIAM ZEAL.—What about the clock?

Senator GIVENS.—Walpole is the secretary of the Employers' Federation, who says that it is no part of the business of employers to provide a sufficient wage to enable a man to support a wife or children.

Senator Sir WILLIAM ZEAL.—I rise to a point of order. I desire to know if the honorable senator is adhering to the terms of standing order 196, relating to relevancy of discussion. I do not know what Mr. Walpole has to do with the question before the Chair. I contend that it is an abuse of the forms of the Senate to have this prolonged discussion on a matter which has been thoroughly and continuously threshed out during the last fortnight.

Senator TURLEY. — Senator Zeal has raised a point of order.

Senator Sir WILLIAM ZEAL.—I asked the Chairman, not the honorable senator, to rule.

Senator TURLEY.—A point of order can be discussed. We have to consider what the subject under consideration is before the point of order can be settled. The question is that the Senate does not insist on one of its amendments. Senator Zeal

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objects to there being a general discussion, on the ground that the question has been previously debated. But, no matter whether it has been debated for six months, so long as any honorable senator has anything fresh to say, he has a right to be heard. I submit that not only was Senator Givens relevant in expressing his opinion, but that his argument was a perfectly proper one. The question admits of very wide debate indeed, and it would be impossible to discuss it unless an honorable senator were allowed to point out what decisions would probably be given under such a provision. Therefore, I submit, with all deference, that Senator Givens' remarks were strictly within the standing order.

Senator McGREGOR. — I am sure that Senator Zeal, with his usual courtesy, would never have raised this point of order if he had known what the result would be. It is not fair that the whole of the blame should rest on his shoulders. Senator Dobson was not in order in referring to Tom Mann, if Senator Givens was not in order in referring to Mr. Walpole. I wish to make it clear, both to Senator Zeal and to Senator Dobson that neither Tom Mann nor Mr. Walpole have anything to do with the motion before the Chamber; but if we had any intention to be obstructive in the slightest degree, the utterances of both those gentlemen in the country would furnish us with a topic for discussion for the next three or four weeks.

Senator GIVENS.—I am sure that the Chairman, with his usual fairness, will, before passing judgment, allow me, as the person who will benefit or suffer from his decision, to say a word on my own behalf. It will be admitted by those who listened to my remarks that I was drawn off the course of my argument by unseemly and irrelevant interjections, and that before that time I was adhering strictly to the question. It comes with ill grace indeed from Senator Zeal to raise a point of order, seeing that at his own request, when he wailed for mercy, I let him off, after he had interjected in an irrelevant manner in the course of my speech. Even if Senator Dobson had not referred to Tom Mann, and had not thereby caused me to retaliate by referring to Mr. Walpole, I had a perfect right to allude to that gentleman as being the paid organizer of the Employers' Union, and to his doctrines, in order to show what is the ultimate intention of the employers who will be affected by this Bill. I intend, unless I am prevented, to refer further to Mr. Walpole, in order to show the ulterior motives of the employers who pay him, and to prove that it is necessary, in dealing with this question, that we should pay the fullest consideration to what the employers really mean to do. Senator Zeal says that the matter has been fully discussed, and that no further light can be thrown upon it; but it must be remembered that one of the functions of an Upper House is to retard hasty legislation. It comes with ill grace from Senator Zeal, who has always been in favour of that view, that he should try to stop discussion, and should wish to rush into hasty legislation on this track. Senator Zeal said that no more discussion was necessary.

Senator Sir WILLIAM ZEAL.—I said that the honorable senator's remarks were irrelevant.

Senator Sir JOSIAH SYMON.—The Chairman wishes to rule on the point of order.

Senator GIVENS.—But the Chairman has not yet had the benefit of my views, and surely the Attorney-General, as a leading member of the legal professeion, will admit that I have a right to defend myself. If Senator Zeal requires no more argument, or is inaccessible to reason, it does not follow that other honorable senators are in the same position. I am entitled to state my case, and I hope the ruling of the Chair will permit me to do so.

The CHAIRMAN.—The motion seems to me to admit of considerable scope for discussion, and I am not prepared to say that Senator Givens is not strictly relevant. But his observation in reference to Mr. Walpole was drawn from him by a remark made by Senator Dobson that "six hours a day and five days a week" was the doctrine of Tom Mann.

Senator DOBSON.—We were both out of order, and irrelevant.

Senator GIVENS.—I propose to continue my remarks in reference to Walpole. I shall not do so on the plea that I intend to connect my remarks about that gentleman with the subject under discussion, and so obtain an indulgence by false pretences; but I intend at the start to show that my observations are perfectly relevant. It is admitted, as a matter of common knowledge, that Walpole, who is the paid organizer and secretary of the Employers' Federation, stated at Lilydale, when attending a public

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meeting there, that it was no part of the business of employers to pay sufficient wages to enable a man to keep a wife or maintain a family—that marriage is a luxury.

Senator DAWSON.—Like "long beers."

Senator GIVENS.—That shows the ulterior and ultimate objects of the employers. Walpole has not been "game" to deny that he made that statement; indeed, he has practically admitted in the columns of the metropolitan newspapers that he expressed the opinion. What would be the result to Australia if the aim of the employers, as enunciated by Walpole, were carried out?

The CHAIRMAN.—Will the honorable senator pardon me for a moment? I do not think that what he is discussing is quite the question before us. The question of preference, as dealt with in the proviso, allows considerable scope for discussion; but I think that, as a matter of fact, honorable senators should confine themselves to that part of the proposal which provides for the application being approved by a majority of those affected. With all due deference to Senator Givens, I think that his present remarks would be more strictly relevant in a second-reading speech on the Bill.

Senator GIVENS.—With all respect, I may say that if the Chairman had been a little patient, he would have observed a distinct connexion between my remarks and the question before the Committee. What I desire to point out is that if the employers succeed in blocking an effective Arbitration Bill, by emasculating the preference clause, the result will be unrestricted competition, and the workers will be ground down to conditions such as those foreshadowed in Walpole's remarks. I should like to show the absurdity of the arguments used by the employers. In opposing preference to unionists, there is no doubt that the desire is to kill trade unions. If Walpole is right, what will become of the Commonwealth? Let us look at this matter from the higher stand-point of national policy; and in this connexion I ask the serious attention of the Attorney-General. If wages are not sufficient to maintain the worker, and enable him to support a wife and bring up a family, in accordance with the recognised standard of comfort, he will not be able to marry, and when he dies the supply of labourers will run out. The highest writers on political economy hold that there must be a scale of wages sufficient to enable a man to attain the recognised standard of comfort, and to produce more labourers. But what does Walpole desire? He either wishes the supply of labourers to run out, and the whole Commonwealth to come to a state of stagnation and ruin, or he wants people to reproduce more labourers under conditions of absolute immorality. I have now finished with Walpole, and I should not have mentioned him but for the fact that I was drawn away by an irrelevant interjection. It seems a fair argument to show that those opposed to preference desire to bring about a disorganized condition of things, leading to dreadful catastrophe, which Walpole has not the sense to foresee. There is no country in which trade unions have obtained better remuneration and conditions of labour, where non-unionists have not, to the full, shared in the benefits, although they contributed nothing to the achievement. It has been plausibly argued that preference should be given only to the majority. The object of the motion of the Attorney-General is that there must be a majority of the union affected before preference can be granted.

Senator TURLEY.—Not a majority of the union, but a majority of those affected by the award.

Senator GIVENS.—I thank the honorable senator for the correction. But a majority has no more right to preference than has a minority. If it is right to give litigants who are in a majority a preference, it is equally right to extend the privilege to the minority. A majority is a very arbitrary number. If there were 1,000 men affected by an award, 501 of them could get preference from the Court, whereas 499 could not. As a matter of fact, I am inclined to think that a minority is more entitled than a majority to preference, seeing that the former need it the more. What would be the result in the case of a union, the members of which were in a minority, if they asked for preference? If there were 150 men in the union, and 250 out of it, the Court would, according to the motion of the Attorney-General, be unable to grant preference to the unionists. And experience teaches us that there could be no other result than that the 150 unionists who had fought the case for the general good of employés, would be victimized.

Senator PLAYFORD.—There could not be an Inter-State dispute in the case of a union with only 150 men.

Senator GIVENS.—We can imagine a dispute occurring on the borders, where

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people do not recognise arbitrary boundary lines. On the northern rivers of New South Wales, one-half the people may be working in Queensland, and the other half in the former State. On those rivers there are seafaring men, wharf labourers, and others, and it would be quite possible to have an Inter-State strike, with only 400 men affected. Where the members of a union were in the minority, it might be even more necessary, in order to insure fair dealing, to give them preference, than in a case where they were in a majority. If there is something sacred about a majority, still we ought to afford some protection to the minority, and not allow them to be victimized in a wholesale fashion. The more men there are outside the unions, the greater opportunity there is for employers to get labour and victimize the unionists. The men outside will reap the benefit of all the self-sacrifice on the part of the unionists, while the latter will be made to suffer. The object for which we are striving in this Bill is industrial peace, for the benefit of the whole community. That cannot be secured without the assistance of industrial organizations, and I would remind honorable senators that if the motion moved by the Attorney-General is carried, instead of encouraging men to join organizations, we shall encourage them to leave them, and we shall prevent men from joining them because, under this proviso, they will run the risk of being victimized in a wholesale fashion. Pictures have been drawn for us of the non-unionist seeking for work for the wife and children dependent upon him, and being told that there is no work for him because preference to unionists bars the way. It must be admitted that even if preference to unionists is granted, each industry can provide employment for only a certain number of men. From the humanitarian stand-point, we have nothing to choose in this matter. It is equally objectionable and repugnant to our minds that the children of unionist parents or of non-unionist parents should suffer because they cannot find employment. If it is a good argument against preference to say that the children of the non-unionist may have to suffer because he is unable to secure employment, it is an equally good argument in favour of preference to point out that if there is no preference to unionists, the non-unionists will get the preference, and the unionist will have to trudge from one part of the Commonwealth to another, vainly seeking for work, whilst his little children are calling out for the bread which he can no longer earn for them. I have known hundreds of such cases, and they will continue to occur unless we devise some means of giving effective protection to unionists. If preference is given to unionists, I remind honorable senators that the non-unionist has a very effective remedy at hand if any hardship should be imposed upon him as the result. He can join the union straight away. The Court, under this Bill, has power to see that the rules of the union will freely admit non-unionists who desire to join it, and that no hardship shall be inflicted upon them by any of the union rules if they choose to join it. That being so, the non-unionist is perfectly safeguarded. But what remedy will the unionist have if the Court does not grant preference? He will have absolutely none. He will be a marked man if he takes part in the agitation to bring a case before the Court, and he will have no remedy. He cannot escape being victimized. If he is discharged by one employer upon one flimsy pretext or another, he will not be able to secure employment from another.

Senator Dawson.—He would be on the black-mark list of the Employers' Federation.

Senator GIVENS.—I proposed to point out that even now the majority of the employers are banded together in a federation, and a unionist without preference might vainly search from one end of Australia to the other looking for work from any member of the Employers' Federation, whilst I have shown that a non-unionist, where preference to unionists is granted, has an absolutely effective remedy which would immediately place him on a footing of equality with the unionist. I remind honorable senators that the Court might not make a common rule applicable from one end of the Commonwealth to the other. It might make a common rule applicable to a particular place, and to the particular parties concerned in the dispute brought before it. In such a case a non-unionist might be placed at a disadvantage in that particular industry at that particular place, but he would be under no disadvantage in seeking employment in another industry, or in the same industry in another place. But, on the other hand, the unionist who takes part in a dispute, and whose organization has failed to secure an award of preference, is

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placed at a disadvantage, not only in his own employment and in the place where he resides, but from one end of the Commonwealth to the other, and in every employment, because the members of the Employers' Federation throughout the Commonwealth might refuse him employment. What is here proposed is grossly unfair and unjust. I have shown that, whilst honorable senators who approve of this proviso are prepared to inflict an outrage upon unionists, their plea on behalf of the non-unionists is a sham, a delusion, and a snare. If, in spite of all our efforts, and in spite of all that has been urged against this proviso, the Committee persists in accepting it, for my part I would not give a solitary straw for this Conciliation and Arbitration Bill. It will only be the means of victimizing unionists, who are the best workers and the best citizens in the Commonwealth, and the men who have accomplished more for the masses of the people, both in the old country and in the Commonwealth, than any other class in the community. The reward proposed under this Bill to be held out to them for all their self-sacrifice, is the right to be victimized or to leave the ranks of unionism. Speaking as calmly as I can, with a sense of the great wrong which I believe is about to be inflicted, I say in all honesty and fairness that we should give some little encouragement to the men who will make it possible for this Bill to be effective, for the great boon of industrial peace to be secured, and for equitable conditions to be imposed in the interests of employers and employés, and for the great advantage of the Commonwealth. We should not altogether deprive them of the benefit of the verdict of the Court when it has been arrived at after full and fair consideration.

Senator TURLEY (Queensland).—Before the adjournment for dinner, I referred to the experience I have had in connexion with this matter to show what would be the effect of a provision such as this in a Bill dealing with industrial matters. I pointed out that after the maritime strike was brought to a close in Sydney, men who had taken a part in organizing the Wharf Labourers' Union, and who were held to be responsible to some extent for bringing about the strike, were compelled before they could secure any employment at all to make application at half-past five in the morning, at an office established by the Ship-owners' Association in Kent-street, when they were given a blue ticket if they declared that they had left the union. For a time some of these men were unable to secure any employment at all, and later on, when the shipping companies were short of hands, these men were compelled to leave their work. To secure employment again they had to make another application to the office, when they were given a ticket of a different colour, and although having been engaged in the work for years, they were fully competent, and more competent than many of those who were dragged in during the dispute to take the place of unionists, they had to accept work at a reduced rate of wages. They were compelled to accept 10d. an hour, when 1s. an hour was paid to men who were not nearly so competent, but who had been taken on during the strike. I remind honorable senators that this is an experience which we have been through. They will say that all employers are not built that way, and do not endeavour to take a mean advantage of a workman when they get the opportunity. We are aware that there is a very large number of fair-minded employers. There are some who would pay better wages and grant better conditions than those in force at the present time, but it is the unfair employer who compels the Legislature to adopt legislation for the regulation of industrial matters. An employer once said to me, "It does not matter to me what wages are paid, or what hours are worked, so long as all the employers in this occupation are subjected to the same conditions as I am." He was one of the fairest men I have known, and he would have done more for the men but for the competition to which he was subjected by men not nearly so fair-minded as he was.

Senator PEARCE. — I draw your attention, sir, to the state of the Committee. (*Quorum formed.*)

Senator TURLEY.—If the motion of the Attorney-General be carried, the men who are employed in other occupations will suffer to a far greater extent than the men who are employed on the coast. When we realize that preference is only to be given when it is desired by a majority of those who may be affected by the award, and when we recall the extent to which people in Queensland were affected by the disturbance in one industry, we wish to know what interpretation is likely to be placed on this proviso. It is of no use for honorable senators to try to shirk their obligation by saying that they are prepared to leave the determination of the question to the Court. We have proved

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that they are not prepared to trust the Court. I contend that a distinct direction is here given to the Court. In 1899 a dispute occurred in connexion with a station called Jondaryan, not very far from Brisbane. The shearers had been interferred with by the manager, and a strike occurred when the shearing was only half done. As the organizations were pretty well affiliated then, not only did the shearers come out, but the men who were engaged in the transportation of the product from the station to the ship were forced out of employment for a considerable time.

Senator PEARCE.—I draw your attention, sir, to the state of the Committee. (*Quorum formed.*)

Senator TURLEY.—Not only did the dispute entail a considerable amount of loss upon the shearers, but, after it was settled by mutual agreement, those men realizing that it might not have been altogether due to the fault of their employers, paid the cost of sending the product along the coast for a distance of about 2,000 miles. Let me point out how it may affect not only those who were directly employed on a station, but a number of other persons. Take the case of a station which is situated at a distance of 200 or 300 miles from a railway, and suppose that an award is given in connexion with shearing from one end of Australia to the other. We know that it need not be made a common rule throughout the Commonwealth. Shearing rates vary in different places. In some places men get £1 per 100; in other places the rate is 17s. 6d. per 100; and I believe that in certain places it is as low as 15s. per 100. In Victoria, where the stations are situated close to railway communication, the article can be produced more cheaply than it can in a State where the producer has not only to pay a higher rate for labour, and a freight of £4 or £5 per ton to the railway station, but also has to send the product over a considerable railway mileage. Suppose that a dispute arises, and the Court decides not to make a common rule, but to base its award on the conditions of the employment, as they are known to exist. If by the award the rate of wages is increased, or the hours of labour are decreased, in some places it must interfere with the cost of producing the article, and the difference must be made up in some way. If in one State the article can be produced at a certain rate, and in another State it has to be carried 400 or 500 miles to the railway, in the latter, the carriers are affected by the award just as much as the men belonging to the claimant union. I think that, according to a liberal interpretation of the amendment, the carriers would be entitled to ask that they should be consulted when their carrying rates are being interfered with. I wish to know whether the interpretation of the provision is to end with the carriers. I contend that not only the carriers, but all the other men engaged in taking the article from the railway station to the ship, are concerned. There is hardly a State in which the Government has not had to interfere during the last few years with the wages of its railway servants because the lines were not paying. When a difference has to be made up in some way owing to an award of the Court, the men who are engaged in the transportation of the product from the station to the ship are entitled to be considered just as much as the men who are members of the claimant union, or are directly engaged in the occupation. Rather than be a party to the enactment of a provision of this kind, I should prefer to see the Bill kicked under the table. It will make not for industrial peace, but for industrial strife. It will be an engine of oppression rather than a provision for the just settlement of industrial disputes. There is no provision in the Bill to prevent the victimizing of men who have taken part in industrial troubles. The unions have always endeavoured to protect their members against being victimized because of their actions as trade unionists. Under the old style of unionism, which Senator Gray and some of his colleagues say they were so much infatuated with, it was a rare thing for a workman to give his services to an organization, and be paid for them. The work he did was voluntary. He was engaged at his trade during the day, and in the evenings attended meetings, conducted the correspondence, kept the books, and looked after the routine work of the society. At the end of the year he was paid a gratuity of perhaps £20 or £25—an amount not by any means commensurate with the work he had done—as an acknowledgment of his services. It was because of victimizing by employers that the organizations were compelled as they grew in strength to pay their secretaries. Of late years they have always had to have permanent officers.

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Formerly there were many employers who, though a man might take a prominent part in a trade union, would recognise him as a good workman, and would have no objection to employ him. But when the relations between capital and labour became more acute, many employers resorted to practices which compelled the unions to adopt different tactics. After the shearers' strike in 1891, the practice adopted by the employers was at the end of the shearing to give their men references on a certain coloured piece of paper. Wherever a man wanted to go to work he had to produce his reference before there was a possibility of obtaining employment. I know some men who were as good workmen as ever stood in the back country, but who had to alter their names before they were able to obtain employment, because they were known amongst the employers as men who had taken a prominent part in unionism. There is one man who now occupies a ministerial position in Queensland, who was on the black-lists of the employers for some years. Other men who were similarly treated are now in the Queensland and New South Wales Parliaments. Indeed, they were elected because their constituents recognised the valuable work they had done. After 1891, it was impossible for them to get a stand in any big shearing shed, because of the system of victimizing. Wherever a prominent unionist travelled in Queensland, New South Wales, or Victoria, his name was known, and employment was refused to him. Some of the best men who formerly worked in the central district of Queensland are now to be found down on the Warrego and the Barcoo, others are to be found in the north-western district, others on the Flinders and Cloncurry rivers, and even as far north as the Gulf country. They were driven to these districts, because they could not secure employment where they used to live, unless they changed their names, or "ratted" on the organizations with which they had been connected for many years. I know of prominent unionists who, since the strike, have never followed their occupation, because they would not accept the references offered to them by station-owners. Some honorable senators opposite tell us that the old unionism did good, but that the new unionism is mischievous. I am convinced that in a few years time the same class of people will be telling us that the unionism of to-day was good, but that the unionism of that time is mischievous. It is only while the work is being done that people who have interests on the other side condemn it. It is urged that we must have regard to the interests of minorities. Honorable senators opposite were elected by majorities of a few hundred, or a few thousand, over the candidates below them on the poll. But do they not give the same consideration to the wants and wishes of the minorities in their constituencies as to the majorities that sent them into Parliament? There cannot be the slightest doubt that if the amendments which we require were made in the Bill, the wishes of minorities would be fully considered. If honorable senators opposite had given ample consideration to this question they would recognise the justice of the claim we put forward on behalf of the organized workers of Australia. They would recognise that whilst the organizations may be able to bring cases before the Court, the employers would practically be able to defeat the award, or to prevent preference being given by the fact that the men would have to make out a good case in showing that there was an absolute majority of those affected by the award who were in favour of preference. That is why I have endeavoured to put as clearly as I can the opinions which I hold relating to the matter. I am not offering opposition simply because of sentiment; but because I know what has taken place in the past. It is all very well to say that in the future there will be no strikes; but unless this Bill is made an engine of oppression and the Government proclaim organizations as organizations under it, there will be nothing to prevent strikes. It will then be realized that the present position is not grounded on sentiment, but on our hearty approval of the principles of compulsory arbitration. We desire an effective measure which will make for industrial peace, but which, at the same time, will not be used by unscrupulous employers for the purposes of victimizing men whose efforts have built up unions, and have tended to settle industrial disputes without resort to strikes. If this provision be retained, I am prepared to vote against the Bill becoming law under any conditions whatever.

Question—That the amendment be not insisted on—put. The Committee divided.

Ayes	...	...	...	14
Noes	...	...	...	12
Majority	...	...	...	2

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AYES.

Baker, Sir R. C.	Playford, T.
Best, R. W.	Pulsford, E.
Dobson, H.	Symon, Sir J. H.
Drake, J. G.	Walker, J. T.
Fraser, S.	Zeal, Sir W.
Gray, J. P.	
Mulcahy, E.	*Teller:*
Neild, J. C.	Smith, M. S. C.

NOES.

Croft, J. W.	Stewart, J. C.
Dawson, A.	Story, W. H.
Givens, T.	Trenwith, W. A.
Higgs, W. G.	Turley, H.
Matheson, A. P.	
McGregor, G.	*Teller:*
Pearce, G. F.	Henderson, G.

PAIRS.

Millen, E. D.	Guthrie, R. S.
Macfarlane, J.	de Largie, H.
Gould, A. J.	O'Keefe, D. J.
Clemons, J. S.	Styles, J.
Keating, J. H.	Findley, E.

Question so resolved in the affirmative.

Motion agreed to.

Clause 55 (Registration of organizations).

Senate's Amendment. — Insert "And further provided that no organization shall be entitled to appear before the Court to oppose an application for preference by any organization, so long as its rules or other binding decisions permit the application of its funds to political purposes, or require its members to do anything of a political character."

House of Representatives' Message.—Amendment agreed to with the addition of the following words, viz. :—

"'Political purposes' in this section does not include obtaining or maintaining provisions applying to all persons in any particular industry, without discrimination as between those who are and those who are not members of an organization, with respect to the regulation of the following matters :—

I. Preservation of life and limb.
II. Compensation for injuries or death.
III. Sanitation.
IV. The sex and age of employees.
V. The hours of labour.
VI. The remuneration of labour.
VII. Protection of salaries and wages.
VIII. Other conditions similarly affecting employment."

Motion (by Sir JOSIAH SYMON) proposed—

That the amendment of the House of Representatives be agreed to.

Senator TURLEY (Queensland). — I think there might be some improvement made in this provision. I remember Senator Playford stating that when he read the newspaper containing the report of this clause, he nearly fell down on realizing the concession which had been given to the Labour Party.

Senator PLAYFORD.—No! No!

Senator TURLEY.—I must admit that when I read the amendment, I thought it a considerable concession, until I happened to look over the speeches of those who had supported it. One strong supporter of the amendment stated that he realized that it clipped the wings of the organizations, and that the clipping was being done by those who promoted the unions. I fancy there must be something in that view; and, in any case, I do not regard the amendment as a great concession one way or the other. Trade union organizations would undoubtedly have to deal with the matters which are specifically mentioned here, but beyond that, I do not see that any opportunity would be afforded for dealing with political matters as in the past. Trade unions have not only done great work in connexion with industrial matters, but they have used an influence in politics which has given them the standing they have today in the Parliaments of Australia—a standing which is recognised even by men who have been distinctly opposed to them for years. This amendment has been characterized as a great concession, and it was urged that a *quid pro quo* should be given in connexion with the amendment last before us. In spite of all, however, I am satisfied that the present amendment does not compensate us for the concession we have been asked to make. I hope that when we reach the report stage, senators opposite, who have declared themselves against the principle of the Bill, will be found voting with members on this side, with the object of throwing the measure into the waste-paper basket.

Senator MATHESON (Western Australia).—When this matter was previously before us, Senator de Largie moved an amendment, which had for its object the bestowal on labour organizations of the full right to use their funds for political purposes. That amendment was defeated by three votes. With a great desire which I naturally felt to suggest some compromise, and bring about, as I hoped, a peaceful solution of this very troublesome question, I moved an amendment to the effect—

That no action in reference to hours, conditions, or remuneration of labour shall be deemed to be a political purpose.

That amendment, which to all intents and purposes is the motion now before us, was received with the greatest possible ridicule and objection by the Attorney-General

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words were considered by him as too strong or too scathing to apply to the amendment.

Senator Sir JOSIAH SYMON.—And deservedly so. Does the honorable senator oppose the present amendment?

Senator MATHESON.—I do not. The Attorney-General on that occasion said that I was attempting to "undermine the whole scheme" of the Bill—that I was driving "a mine of the most deadly character under the whole scheme," and that the amendment was more "mischievous than any which had yet been suggested."

Senator Sir JOSIAH SYMON.—I quite agree with that now.

Senator MATHESON.—I know that the Attorney-General is quite frank—that he believes what he stated. I have no quarrel with him for what he then said, because I know that he expressed his honest convictions. I am obliged, however, to allude to those matters in connexion with others with which I propose to deal on the amendment before us. The Attorney-General said that if we put in any words covering political action, there would be no checking the political action which might take place under them. and so on. The result of those criticisms was that my amendment was defeated by two votes—the votes of Senator Keating and Senator Smith. I want to lay some stress on that fact, because it was undoubtedly the eloquence of the Attorney-General which induced those two gentlemen to vote in the way they did. The matter is more remarkable in connexion with Senator Keating, because that honorable senator had, as will be found by reference to the records, voted for Senator de Largie's amendment, which would have given to these organizations the fullest right to use their funds for political purposes. Yet, when my amendment was proposed—the very amendment which is now before the Committee—to give these organizations the power to use their funds in a much more limited way, we found Senator Keating yielding to the persuasive eloquence of the Attorney-General—because the honorable senator never spoke on the subject—and voting against my amendment. It will be most interesting when we come to a division now, to see in what way Senator Keating will vote on this motion. I appeal to the honorable senator to come down to the floor of the Chamber and let us know why he votes in one way one day and completely reverses that vote on the next day.

Senator GIVENS.—What about the honorable senator's colleague, Senator Smith?

Senator MATHESON.—Senator Smith has also failed to deliver himself of any opinion upon this amendment. He holds some most liberal views, and is always prepared to support democratic principles, when he recognises them. He is another honorable senator who was—unwittingly, I feel sure—led astray by the eloquence of the Attorney-General to deliberately vote against my amendment. I shall not elaborate that matter any further, but I propose to refer briefly to the proposal now before the Committee. What is it that this amendment wishes to separate from the prohibition of the Bill? First we have legislation for the preservation of life and limb.

> Is there any one who objects to legitimate agitation for the improvement of the laws relating to the preservation of life and limb? If so I am not with him. I say to the trade unionists and the working men of Australia, so long as your object is the general good of the workers without claiming any right of privilege to yourselves which is denied to your fellows, I have no objection to your agitation for the improvement of your conditions.

The next thing provided for is compensation for injuries or death—

> There is no country where such laws are not in existence. I have no objection to any agitation for the improvement of such laws. The right to express opinions on these subjects, with a view to securing reform, is one which I deny to no man and to no body of men.

The third object is sanitation—

> Does any human being object to agitation for the improvement of the sanitary laws of the country? I do not.

The fourth matter dealt with is the age and sex of employés—

> Who objects to agitation for the improvement of such laws so long as, not only the unionist boy and the unionist girl, but all boys and girls are legislated for?

The fifth object is the regulation of the hours of labour—

> I have no objection to any man or any number of men banded together in trade unions taking political action to bring about better legislation upon such subjects.

I would remind the Committee that hours of labour was one of the specific topics with which my amendment dealt, in so many words. The sixth object is the remuneration of labour—

> That is another legitimate subject for political agitation by the workers of the Commonwealth. I should be very sorry to think that any member of the Committee wished to impede such activity.

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The next object is the protection of wages. That, I understand, has been provided for in New South Wales.

> Is there any one who does not sympathize with the desire of the workers to secure the payment of the wages which they have earned?

I have quoted the words of the Right Honorable George Houston Reid, the Prime Minister of this Commonwealth. I would ask Senator Smith, who has listened to these observations, whether, now that he has heard his leader's opinions upon these subjects, he is satisfied to have been led astray in the way in which he foolishly allowed himself to be, by the eloquence of the Attorney-General? I would ask the Committee whether anything more ludicrous has ever been heard of in Commonwealth politics than this divergence of opinion between the Prime Minister and the Attorney-General? It is to me a matter of the greatest possible satisfaction and pride that honorable members in another place should have seen fit to adopt the amendment which I moved in this Chamber, and I am most anxious to impress upon the Committee and upon the public the remarkable change of opinion that has taken place on the part of the Government on what I supposed, at the time I moved it, to be a most innocuous and innocent amendment.

Senator MULCAHY (Tasmania).—The curtain appears to be about to be rung down upon a very old friend, and one might be pardoned for saying a few valedictory words. I was one of those who voted against the very small gnat which Senator Matheson introduced, and which the Government not only found a difficulty in swallowing, but actually refused to allow anywhere near them. My objection to it is only in degree to be compared with my objection to the camel which they have swallowed. If I saw any chance of giving practical effect to a vote for the elimination of this amendment, I should certainly take advantage of it.

Senator McGREGOR.—We shall give the honorable senator an opportunity in a moment.

Senator MULCAHY.—I do not know that the honorable senator will. He might give me an opportunity to vote against the Bill which I might not care to take. The Bill is now about to be placed in the shape in which it will probably become the law of the land, and I frankly say that the action of the Government in this matter has not raised them in my estimation. I do not know that the Attorney-General is likely to take that very much to heart, but the honorable and learned senator introduced this Bill in the Senate, and, on behalf of his Government, stood by a clause which he does not believe in.

Senator Sir JOSIAH SYMON.—What clause is that?

Senator MULCAHY.—The clause which specifically includes State railway servants. Now we have here a distinct climb-down on the part of the Government respecting the application of the Bill to political organizations, which I am very sorry to see. But I totally disagree with honorable senators on the other side who think that the Bill cannot be made effective, simply on account of the absence of a provision for absolute preference. I hope that the measure will be placed on the Statute-book. It is a very large experiment, and I trust that my honorable friends on the other side will use their influence, which is very large, to induce the men whom it is intended to benefit to take advantage of its provisions. This is legislation which might very well have been postponed until other purposes for which the Commonwealth was established had been passed. I believe that it will be a very good thing for the Commonwealth when this very contentious question has been disposed of, because it will prepare the way for more useful and necessary legislation to be passed. Even if I had the opportunity by my vote to throw out the Bill because I disagreed with some clauses, I should not take that course, because I believe that it is better for Australia that it should be placed on the statute-book, even if it should be inoperative and ineffective, for the time being, in order that we may get more necessary legislation passed.

Senator TRENWITH (Victoria).—I feel that this is the most extraordinary discussion we have ever had.

Senator McGREGOR.—Who is taking part in it?

Senator TRENWITH.—I intend to show how stupid and maladroit it is. We have had Senator Matheson, who some days ago moved an amendment, which he declares corresponds exactly with the one that the Government have adopted, reflecting upon them most scathingly for having been persuaded by him to do what he thought should be done. It is very unwise to adopt that attitude because the business of the Chamber does not end

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with to-night. There may be other occasions on which Senator Matheson and others may strive, for a time unsuccessfully, to give effect to their views. But if they are wise they may hope in the end to succeed. If they make it a political offence, if they treat it as a matter for reprobation that the Government, having once opposed them, should by-and-by come round to their views——

Senator PEARCE.—They are not allowed to accept amendments in the Senate.

Senator TRENWITH.—I do not agree with my honorable friend. I differ most strongly from the members of the Government on some questions, but I cannot help saying that, from their stand-point, this discussion has been carried on in a courteous way, and with reasonable consideration for their opponents.

Senator PEARCE.—Has the honorable senator ever known the Government to accept an amendment to a Bill in the Senate?

Senator TRENWITH.—I am not discussing that question, but the impropriety of an honorable senator endeavouring to cover persons who have come round to his view with ridicule and contempt. Unlike Senator Mulcahy, the action of the Government in this connexion, if it were possible to raise them in my estimation, has done so. I think it is a most extraordinary thing—I would almost say childish querulousness—for an honorable senator who has been unsuccessful in carrying an amendment off his own bat to display quite inconceivable anger and irritation because the same end has been achieved by another course.

Senator STEWART (Queensland).—I have some sympathy with Senator Matheson in the attitude he took up with regard to the amendment which he moved a few nights ago, and which was sneered at and voted down. While agreeing very largely with the sentiments uttered by Senator Trenwith, I think it would be unwise to examine the motives which have governed honorable senators on the other side in so completely somersaulting on this very important question within a very few days. "Are they creditable or otherwise" is a question which might very well engage the attention of not only the Senate, but all the people of the Commonwealth.

Senator TRENWITH.—What is discussion for but to change men's opinions?

Senator STEWART.—If honorable senators opposite had admitted that they had changed their opinion because of the force of argument on this side, no one would have welcomed that change more than myself, but when the Attorney-General says that he is still opposed to the amendment, and yet, for party reasons, is prepared to accept it——

Senator Sir JOSIAH SYMON.—I said nothing of the kind; I said I accepted the amendment in order to save the Bill, which, apparently, the honorable senator wishes to wreck.

Senator STEWART.—Most undoubtedly I wish to wreck the Bill. It reminds me of the position of a man when he is building a house. If he can afford the expense, let him build a good house at once.

Senator TRENWITH.—And if he cannot afford a good house, let him live in the bush.

Senator STEWART.—The honorable senator implies that because we cannot get all we want, in the meantime we ought to take anything we can get.

Senator TRENWITH.—We ought to take as much as we can get, if it is in the right direction.

Senator STEWART.—That is very true, but I feel that if this measure be defeated, within a very short time we shall be able to get one which will do some measure of justice to the people of Australia.

Senator DOBSON.—Is a party never to make a compromise?

Senator STEWART.—I do not object to compromises. If this amendment from the other House is worthy of the honorable senator's support, surely Senator Matheson's amendment, which meant exactly the same thing, was also worthy of his support. What pains me in this connexion is the complete want of principle in our legislation. Apparently a number of honorable senators are not guided by principle in the legislation which they support; they are merely the creatures of expediency. If they think it desirable to support a proposition to-day, they support it no matter how great the issues involved may be, and apparently without any regard to the principles which should govern them.

Senator DOBSON.—Apparently all the principle is on the other side.

Senator STEWART.—I do not wish to be pharasaical; but I cannot refrain from saying that we on this side never abandon our principles. In that respect, we have a very great advantage over honorable senators on the other side. In my opinion,

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legislation ought to be governed by principle, and a party which throws principle to the wind for the sake of remaining in power, is a menace to the community.

Motion agreed to.

Resolutions reported.

Motion (by Senator Sir JOSIAH SYMON), proposed—

That the report be adopted.

Senator McGREGOR (South Australia).—I hope that the report will not be adopted, for with a number of honorable senators, I believe that the Bill is now of such a character that it will defeat the very object for which it was designed. There are certain honorable senators on the other side who have declared, during the passage of the Bill through its various stages, that under any circumstances they would vote against the final motion. It is to give them an opportunity of carrying out their expressed intention that I oppose the adoption of the report. If, however, they intend to back down like the Government, and vote to place upon the Statute-book what to my mind is nothing less than a political fraud, their action will not be very creditable. Senator Gould has gone away. I am assured that he intended to vote for the adoption of the report. I do not think that this side will be so mean or arbitrary as to refuse him a pair in the circumstances; but, in my opinion, it should not be asked for. Senator Gray and Senator Dobson are in a similar position. They have declared that they would vote against the passing of the Bill, in fact, do anything they could to prevent its passing on to the Statute-book.

Senator Sir JOSIAH SYMON.—But they are not going to do so now, so that the honorable senator need not rely on them.

Senator McGREGOR. — Now they are going to vote for it. But they have not said so to the Senate, and I think they ought to declare themselves. Senator Trenwith has declared that if we cannot get the house which we desire to live in, we should go and live in the bush. But if this Bill is not better than the conditions that have been existing for the last thirty years, why hurry into a house of this description? The trade unions of Australia are not in the bush. They came out of the bush many years ago. They helped to send Senator Trenwith and others of us to Parliament. If we have an opportunity to defeat legislation that will be of an abortive character and antagonistic to the interests of the unions, it seems to be our duty to do so. If we refuse to adopt the report of the Committee, the Bill will be defeated. The Government may, if they like, cause it to be sent up again in the same form next year. The same events may follow. Then there will probably be a double dissolution, and the people will have an opportunity to send to Parliament representatives who are prepared, not to vote in one direction on one day, and in another direction on another day, but who will pass legislation in accordance with their desires. I agree that we have no right to complain of an honest change of opinions if honorable senators opposite are convinced that they were wrong previously. But we have every right to inquire as to their motives for their changes of opinion. On this occasion it is fair to assume that those motives are very peculiar, inasmuch as some of them are voting for legislation of which they have stated they do not approve. I invite them to vote against this Bill at this stage. It is because the Bill is not what it ought to be that I also ask those who are not in favour of putting on the Statute-book legislation which will have the effect of trammelling the operations of the organizations of labour in the future, and of putting them in a worse position than they have been in the past, to vote against it. I hope that a vote will soon be taken.

Senator TRENWITH (Victoria).—I am astonished at the speech which I have just heard from Senator McGregor. The Bill as it stands does not meet with my approval by a long way in many particulars, but I have no hesitation in saying that the industrial organizations of Australia will be very much better with the Bill than without it. Therefore it is absurd to speak of it as abortive legislation. It is not by any means like leaving them in the house which they have been occupying for so many years, in preference to going into a better house. The alternative is between leaving them in the house they have been occupying for many years, and putting them in a very much better house. I am anxious to see the industrial organizations better housed than they have been, and I hail this Bill, with all its imperfections, as an improvement on the conditions that now prevail. I take the opportunity to say to those who think it is easier to amend an imperfect piece of legislation than to make it completely perfect

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from the start, that that view is contradicted by the history of industrial legislation all the world over. I remember the history of our Victorian factories legislation, which, until two years ago, when it was slightly damaged by amendments upon it, was properly described as the most advanced piece of industrial legislation in the world. I remember that twenty-three years ago it began with a mere act of registration, merely for the purpose of obtaining information. I and others held at that time that that was not nearly what we ought to have. But it was all we were able to get; and I was one of those who thought it was better to have that little than nothing at all. We accepted it, with the result that, session after session in the State Parliament, one amendment after another was made in the original Bill, until we got the extremely advanced legislation to which I have referred. I have no hesitation in saying that the adoption of this Bill, imperfect as it is in many respects, will be a distinct advance, and will place us in a position to strive for something better in the very near future. To refuse to accept it will be to leave us where we are now. The result will be that next year we shall have to begin again where we commenced two years ago. It would be an immense advantage to have this Bill made law, and it would be suicidal and extremely prejudicial to the well-being of the persons whom Senator McGregor especially professes to represent if he seriously sought to frustrate the carrying of the measure into law. I do not think he was quite in earnest, because he said that his only object was to give Government supporters who previously said they were opposed to the Bill an opportunity to vote against it.

Senator McGregor.—That was one object.

Senator TRENWITH.—Then I take the liberty to say that when we have been fighting with people and endeavouring to convince them, and when we have succeeded in inducing them to vote with us, it is an extremely stupid thing to object because we succeed.

Senator McGregor. — We must do stupid things with stupid people.

Senator TRENWITH.—I have heard that it is intended by some honorable senators to refuse, if they can, to take this Bill through the present stage. If that is so, I am prepared to stay here all night if necessary to frustrate them.

Senator Dawson.—There is no justification whatever for that statement.

Senator TRENWITH.—I say without hesitation that I have justification for saying that it is within my knowledge that some honorable senators intend to vote against the report.

Senator Fraser.—Let it pass, for God's sake!

Senator TRENWITH.—If there are a number of honorable senators who hold that view, it is a serious menace to people in whom I take a deep interest, and for whose welfare I have a high regard. I have followed honorable senators opposite in many respects when I thought they were not quite wise, but as they were in earnest and appeared to think that there was some wisdom in what they proposed, I allowed myself to be overruled. But I shall be deeply disappointed if after the efforts that have been made, we throw over the advantages that will be gained by placing upon the Statute-book a Bill of this character. I join with my honorable friends in regretting that the Bill has not been improved, and perhaps I share to some extent their anger that some amendments have not been made. But a feeling of regret or of anger should not make us so unwise as to cut off our noses to spite our faces.

Senator TURLEY (Queensland).—Senator Trenwith says he is astonished. I do not know that there is anything to be astonished at. I have said at every stage of the Bill that I should vote against it finally if certain provisions which it contained were not altered. Other honorable senators have said the same thing. We are simply backing up our statements now. I intend, therefore, to vote against the adoption of the report. I am sorry that I did not vote with Senator Gray and others against the third reading. I think it is a greater menace to have bad legislation on the Statute-book than to inaugurate new legislation, even if to do so takes longer. Senator Trenwith mentioned the history of the Victorian factory legislation, which has been built up from a small beginning.

Senator Trenwith.—That is the type of all industrial legislation.

Senator TURLEY.—That I deny. In Queensland we have had an Employers' Liability Act for years, which has been described by the Chief Justice of the State as a delusion and a snare. While other English-speaking countries, such as New

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Zealand, could get a Workmen's Compensation Act without great trouble, we have worked to that end in Queensland for years, but have always been met with the statement that there is an Employers' Liability Act, which can be availed of. But for that fact we should have had a compensation measure years ago, which would have been of more benefit than a dozen of the former. I should be very glad to see the Senate refuse to adopt this report. I do not believe that the Bill will forward the interests of the organizations, but that it will be found to be defective in its working. There will be years of trouble before we get the amendments that are considered necessary. I can understand cases of factories regulations gradually developing into legislation as experience is gained and public opinion is influenced, but I can give quite a number of cases where the existence of pernicious laws has prevented the passing of good laws. It is possible that we made a mistake to-day in agreeing to the exclusion of agricultural labourers and domestic servants. I agreed to their exclusion, because I thought that after such a compromise the Government would be prepared to meet us fairly on the third amendment. On that ground I, to some extent, sacrificed the interests of those engaged in domestic service and agriculture. I have never been able to draw the line between agricultural and other workers. One day a man may be working as an employé, and come under the Act, whereas the next week he may be an agricultural employer and able to deny his men the benefits of the legislation. I am sorry that we did not divide the Senate on that question in order that we might see whether honorable senators have altered their minds on that as completely as on other matters. A number of honorable senators have declared their opposition to the principle of this Bill. I regret that I did not assist them to defeat the measure before, but there should still be no difficulty in dealing with it, because, if they vote with me on this side, they will be able to throw out the Bill now.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I wish to say a few words without any heat, sense of pique, or irritation of any sort. I rejoice that the Bill has reached this stage. It is a Bill, which in some respects—in this I am like Senator Trenwith, but from a different point of view—does not meet with my entire approval, and I think I have expressed that opinion very freely. Some remarks have been made by an honorable senator whose vanity is perhaps a little wounded by the course taken in regard to one particular amendment. I am perfectly willing to remain under a criticism of that kind, and do not wish to resent it. I do not object to a division on the adoption of the report, because an opportunity will be afforded of seeing who are genuinely in favour of the principle of compulsory conciliation and arbitration, and who are in favour only of some measure which is entirely of their own making. There are some honorable senators who are not satisfied unless they get all they want—who have no spirit of compromise or conciliation. Therefore, I welcome a division which will enable the two sets of honorable senators to be separated one from the other, and placed on record who are and who are not in favour of a genuine attempt to settle the question. I regret to say that Senator McGregor expressed the hope that the report would not be adopted, and that is interpreted to mean that he hoped the Bill would be defeated. It will go forth to the country that the honorable senator is not desirous that the Bill should be passed—a Bill which has been fought over for two years, which nearly wrecked one Ministry, led to the retirement of a most valuable member of that Ministry, and wrecked two other Ministries, one of which the honorable senator himself was a member. The honorable senator will take up a lamentable position in which he will be pilloried in the face of his countrymen if he seeks to wreck a Bill which at least will be an instalment of conciliation and arbitration, susceptible if necessary of amendment in the future. I do not envy the feelings of any honorable senator who can contemplate such a termination of our prolonged labours with equanimity.

Question—That the report be adopted—put. The Senate divided.

Ayes	14
Noes	4
Majority	10

AYES.

Dobson, H.	Smith, M. S. C.
Drake, J. G.	Symon, Sir J. H.
Fraser, S.	Trenwith, W. A.
Givens, T.	Walker, J. T.
Mulcahy, E.	Zeal, Sir W. A.
Neild, J. C.	
Pearce, G. F.	*Teller:*
Pulsford, E.	Clemons, J. S.

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NOES.

Henderson, G.	*Teller:*
McGregor, G.	
Stewart, J. C.	Turley, H.

PAIRS.

Millen, E. D.	de Largie, H.
Macfarlane, J.	Guthrie, R. S.
Gould, A. G.	Findley, E.
Gray, J. P.	Higgs, W. G.
O'Keefe, D. J.	Storey, W. H.
Playford, T.	Dawson, A.

Question so resolved in the affirmative.

Report adopted.

APPROPRIATION BILL.

Bill received from the House of Representatives.

Motion (by Senator Sir JOSIAH SYMON) proposed—

That the Bill be now read a first time.

Debate (on motion by Senator GIVENS) adjourned.

Senate adjourned at 11.32 p.m.

House of Representatives.

Thursday, 8 December, 1904.

Mr. SPEAKER took the chair at 10.30 a.m., and read prayers.

PETITIONS.

Mr. WILKS presented a petition from ship-owners and shipping agents of the Port of Melbourne, praying the House not to pass the Sea-Carriage of Goods Bill.

Petition received.

Mr. KELLY presented a similar petition from ship-owners, merchants, and insurance agents, carrying on business in Sydney and elsewhere in New South Wales.

Petition received and read.

ORDER OF BUSINESS.

Sir WILIAM LYNE.—I desire to ask the Prime Minister whether he is correctly reported in the press this morning as having intimated that the first business to be considered at to-day's sitting is the motion relating to Preferential Trade, and that, after the honorable and learned member for Ballarat has delivered his speech, the debate will be adjourned, and the Appropriation Bill will be dealt with. I desire to ask, further, whether the Prime Minister did not arrange with the honorable member for Eden-Monaro that after the motion relating to Preferential Trade had been dealt with, the Manufactures Encouragement Bill should be brought on, and whether it is true that he stated last night that the Government were not disposed to persevere with that Bill, beyond taking it into Committee, during the present session?

Mr. REID.—With reference to the questions of the honorable member, I may say that it is the intention of the Government to ask for an adjournment of the debate upon the motion relating to Preferential Trade after the honorable and learned member for Ballarat has spoken on the question, in order to enable the Appropriation Bill to be proceeded with. So far as the Manufactures Encouragement Bill is concerned, it is absolutely beyond the expectation of any sane human being that the measure could be passed through both Houses during the two or three remaining days of the session; whereas the Appropriation Bill must be passed by both Houses before we go into recess. I am anxious to forward the Appropriation Bill to the other Chamber as soon as possible, because I do not at all approve of the practice of throwing that measure at the heads of senators on the last day of the session. I do not think that that is proper or courteous treatment. I propose to send the Appropriation Bill on to the Senate as soon as possible, and whilst the other Chamber is dealing with that measure to devote as much time as we can to the matters to which I have referred. The only other Bill that the Government proposes to ask the House to deal with this session is the short measure known as the Sea-Carriage of Goods Bill. If that measure, which has been forwarded to us by the Senate, meets with the approval of this Chamber, it can be passed this session.

Mr. WATSON.—What about the Trades Marks Bill?

Mr. REID.—I feel that at the present stage of the session, in view of the desires of honorable members, it will be impossible to pass that measure.

Mr. WATSON.—There may not be much discussion.

Mr. REID.—To which Bill does the honorable member refer?

Mr. WATSON. — I refer to the Trade Marks Bill, not to the Fraudulent Trade Marks Bill.

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Mr. REID.—I know that one of the measures is a debatable one, whilst the other is not. I shall make inquiries, and if I find that either, or both, of the measures are not likely to be discussed at any great length I shall make a very earnest effort to pass them into law before we separate. I am very anxious that we should do as much work as possible before the session closes. When the Appropriation Bill has gone to another place honorable members will be afforded an opportunity of dealing with the Manufactures Encouragement Bill in a manner consistent with the public interest.

At a later stage,

Sir WILLIAM LYNE.—Referring to the question which I asked the Prime Minister in reference to the order of business, I wish to point out that he neglected to answer one portion of it. He omitted to say whether the statement which was made to me by the honorable member for Eden-Monaro that he had arranged with the Prime Minister to proceed with the consideration of the Manufactures Encouragement Bill after the honorable and learned member for Ballarat had delivered his speech upon Preferential Trade is correct, and if so, whether an alteration in the order of business has been made since?

Mr. REID.—I am really not prepared to say whether the position is or is not as the honorable member suggests. I merely desire to add that I am taking the course which I have decided upon, in the interests of public business, fully satisfied that just as much time, if not more than I originally intended, will be devoted to the consideration of the Manufactures Encouragement Bill.

REIMBURSEMENT OF ELECTION EXPENSES.

Mr. GROOM.—In the absence of the Treasurer I desire to ask the Prime Minister a question relating to the reimbursement of election expenses incurred by candidates whose elections have been declared void on the ground of neglect or error on the part of the Returning Officers or other persons officially connected with the conduct of the elections. The Treasurer promised that he would consider the question that was raised in this House, and that upon its being shown that elections were declared void owing to no fault of the candidates, he would give some compensation, possibly to the extent of repaying the ordinary election expenses that were certified to. He promised to give the matter favorable consideration, and said that if applications were made he would consider the propriety of placing a sum on the Supplementary Estimates to meet them. I should like the Prime Minister to say whether he is in favour of the position taken up by the Treasurer, and whether he can see his way to make provision in the direction indicated.

Mr. REID.—My honorable friend was good enough to intimate to me beforehand the nature of his question. There will be no Supplementary Estimates this session. Although, in the absence of the Treasurer, the Cabinet have not yet considered the matter, I must say that, in my view, it will be only fair to any man who has been put to the trouble of an election that has proved abortive through the mistake of public officers that some effort should be made to recognise the hardship of his case. I feel sure that all my colleagues will share that view. The only difficulty is as to how far we should recognise such claims. For instance, I should have no hesitation in saying, without consulting by colleagues, that we certainly should pay the amount of the expenditure which a candidate is allowed to incur. I think that is £100.

Mr. GROOM.—And also his personal and travelling expenses.

Mr. REID.—I do not want to pledge myself in the dark to pay any particular claim. I should not like to have to pay such an amount as £500 or £600 upon general items such as those indicated. I know that the expenses of the honorable member for Riverina, who has to canvass an enormous electorate, must have aggregated a very considerable sum.

Mr. GLYNN.—We wish also to avoid speculative actions.

Mr. REID.—The matter becomes a more difficult one the moment we exceed the £100 limit fixed by the Electoral Act; but in the case of vast electorates, I think that the House, in view of the personal exertions, and travelling imposed upon candidates, will be prepared to act liberally.

Mr. WATSON.—The £100 limit which is fixed by statute has reference only to outside expenses.

Mr. REID.—Of course, that amount represents outside expenses, and is not intended to compensate candidates for the actual trouble and expenditure to which they are subjected. The difference between the position of a candidate for the

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electorate of Riverina and that of a candidate for a city constituency would be enormous, so far as expenditure was concerned. The former would have to travel thousands of miles, whilst the latter would be upon the spot all the time. The only question which the Government has to consider is how far, in prudence, we can afford to recognize such claims. I can assure my honorable friend that the Government will make some provision of the character suggested by him.

IMMIGRATION RESTRICTION ACT. DURATION OF RECESS.

Mr. HIGGINS.—I desire to ask the Prime Minister how soon he expects to obtain a reply to the inquiries which he kindly vouchsafed to make in regard to British treaties and proclamations in reference to the admission of black people to the Empire. If those replies come to hand during the recess will he afford honorable members generally access to the papers?

Mr. REID.—I may tell my honorable friend that I have already received a considerable quantity of material bearing upon the matter in question, which I shall be very happy to allow him to peruse at once. Any further information which comes to hand will always be at his disposal, or that of any other honorable member, during the recess. In fact, I wish to say that, in my view, the Government should, during the recess, place every facility in the way of honorable members who wish information regarding the progress of public business. Upon behalf of the Ministry, I desire to say that if any honorable member wishes to obtain information upon any matter of public interest during the recess, it will be our duty to supply him with it upon application.

Mr. McWILLIAMS.—Are we to have twelve months' recess?

Mr. REID.—I do not propose anything unreasonable; but, so far as the recess is concerned, it would be infinitely better, both for the public and honorable members, if we could come to some definite understanding as to the length of future sessions and recesses. My own view is that if a fair thing were done upon the present occasion, we should have a continuous recess, extending over about two years. As, however, that is impossible—seeing that the Government are consumed, as all new Governments are, with a desire to meet the House as much as possible—I am sorry to say that upon this occasion, the recess must be a limited one. Nevertheless, honorable members may rest assured that they will receive a reasonable recess.

Mr. FISHER.—Until July, I suppose?

Mr. REID.—Until some time in the neighbourhood of June, probably.

HOME RULE FOR IRELAND.

Mr. RONALD.—I desire to ask the Prime Minister whether I shall be afforded a reasonable opportunity of concluding my speech relating to Home Rule for Ireland before the close of the session? When I gave way last night to permit of the honorable and learned member for Ballarat initiating a discussion upon preferential trade to-day, I did not understand that I was thereby waiving my right to finish my speech upon the motion to which I have referred.

Mr. REID.—As honorable members are aware, the House has very generously given Government business precedence over private members' business on Thursday. Unfortunately, we have to face the difficulty with which we are usually confronted at the close of the session—the difficulty of being unable to deal with all matters upon the business-paper. Inasmuch as the honorable member for Southern Melbourne has been in the House for four years without having previously brought forward the subject of Home Rule for Ireland, which is one of perennial interest and importance, I am afraid that he will have to wait a short time longer before he is allowed to resume the discussion upon his motion.

DUTY ON CATALOGUES AND PRINTED MATTER.

Mr. MAUGER.—I desire to ask the Minister of Trade and Customs whether he will be good enough, before coming to a decision upon the question of the duty chargeable upon catalogues and printed matter, to afford an opportunity to the Typographical Society and the Master Printers' Association, to place before him their views upon the matter?

Mr. McLEAN.—I would point out to the honorable member that a decision upon the question of the duty to be levied upon catalogues and printed matter was arrived at months ago. I do not intend to depart from the law which has been enacted. I cannot see my way to place the administration of my Department above the law. The

law requires that a duty shall be charged and that duty will continue to be charged, so long as I administer the Department, until the law has been altered.

TARIFF COMMISSION.

Mr. HUTCHISON.—I wish to ask the leader of the Opposition whether the statement that the Labour Party discussed the *personnel* of the Tariff Commission, which is contained in to-day's *Argus*, is correct?

Mr. WATSON.—It is not true.

Mr. SPEAKER.—Under the Standing Orders it is not competent for the honorable member to ask that question of the leader of the Opposition.

ILLUSTRATED POST-CARDS.

Mr. BROWN.—I wish to ask whether the Postal Department has ceased to make a surcharge upon illustrated post-cards, on the face of which writing, other than the address, appears?

Mr. SYDNEY SMITH.—I may tell the honorable member that that matter has already been decided. I have issued instructions that a lower rate is to be charged in cases where the address and writing appear upon the face of the card.

PATENTS.

Mr. GLYNN.—I wish to ascertain whether anything can be done to expedite the final acceptance of applications and specifications for patents. I understand that in no case up to the present has there been a final acceptance of a patent. Although provisional patents have been issued, until the patents are finally completed the applicant has no right of action for infringement.

Mr. McLEAN.—I would point out to my honorable friend that the Commonwealth Patent Office, in taking over the business which was formerly transacted by six States, found that there were very great difficulties to be overcome before patents could be completed. The principal cause of delay was the inability of the Commissioner of Patents to obtain access to the specifications which have been lodged in New South Wales. The other States had kept duplicate copies, which they supplied to the Commissioner upon application. In most cases in New South Wales, however, only the original copies had been kept, and the Government of that State were unwilling to part with these. In order to overcome the difficulty, an officer was despatched to Sydney, the week before last, to examine the applications there. Until his examination is complete, it will be impossible to finally accept any patent, because it might infringe upon some patent for which an application has been lodged in New South Wales. The matter is being expedited as much as possible, and I hope that before long we shall be able to proceed with the final acceptance of the patents.

SUSPENSION OF STANDING ORDERS.

Mr. REID (East Sydney—Minister of External Affairs).—I wish to move with the concurrence of honorable members, a motion which is usual at this stage of the session. It reads—

> That for the rest of the session, when necessary, the Standing Orders be suspended so as to allow the remaining stages of any Bills after their second reading to be taken without delay.

The only Bills with which we are now likely to deal are the Appropriation Bill, the Sea-Carriage of Goods Bill, and, if possible, one of the Trades Marks Bills.

Mr. FISHER.—Why not both?

Mr. REID.—I shall be only too delighted if we can deal with both. This motion will affect only the two Bills I have mentioned, about which I do not think there will be much contention.

Mr. KNOX.—Does not the Prime Minister think there will be contention over the Sea-Carriage of Goods Bill?

Mr. REID.—The Appropriation Bill and the Sea-Carriage of Goods Bill will, I hope, be put through without any very long discussion. Honorable members will recognise that the measures which remain to be considered are not of a contentious character.

Mr. HIGGINS.—I am afraid there are indications that they are.

Mr. WATSON.—The Prime Minister had better wait until next week before submitting this motion.

Mr. REID.—Then I will give notice in the ordinary way for to-morrow.

PUBLIC SERVANTS' INCREMENTS.

Mr. POYNTON asked the Minister representing the Attorney-General, *upon notice*—

> Whether the Public Service Commissioner has power to stop the payment of annual increments to the salaries of transferred officers who were promoted to the next higher class by the South

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Australian Government prior to Federation, until such salaries have reached the maximum of the classes as provided for by the Civil Service Act of 1874?

Mr. REID.—The answer to the honorable member's question is as follows:—

In accordance with the usual practice, the Attorney-General does not think that an opinion should be given upon what is either an abstract question of law or what, if it should arise in fact, may be the subject of litigation between the Commonwealth and any officers affected.

PREFERENTIAL TRADE.

Mr. DEAKIN (Ballarat).—I move—

Inasmuch as every increase in trade between the Mother Country and the Colonies or any of them would be of mutual advantage commercially, while collectively, by multiplying their production, profitable employment, population, and exchanges, such increases must enhance the unity and power of the Empire, this House resolves that—

1. The encouragement of industry and commerce within the Empire is a high national aim of paramount importance to all its peoples.
2. The proposals of the Secretary of State for the Colonies at the Colonial Conference of 1902, as then approved and since tentatively defined in order to foster inter-Imperial trade, outline a patriotic and statesman-like policy of internal development and external influence, whose details should be discussed by a further Conference at the earliest opportunity.
3. The Prime Minister be requested to consider the existing openings for preferential trade relations between Australia and other colonies.
4. The Prime Minister be invited to obtain all data necessary for the preparation of a measure granting a preference to British imports into Australia which compete solely with imports from foreign countries.
5. The Prime Minister is hereby authorized for and on behalf of the Commonwealth to offer to the Government of the United Kingdom a preference upon its exports to Australia in return for a preference upon our exports to Great Britain and Ireland, such preferences to be reciprocally adjusted according to Schedules sanctioned by Parliament.

In submitting this motion, allow me to call honorable members' attention to the fact that it has been drawn with the object, as far as possible, of disarming hostile criticism from those to whom the proposal for preferential trade relations with the mother country can be commended upon any ground whatever. Honorable members will notice that it may be accepted by those who hold the most opposite views upon the fiscal question. When the motion was framed, it did not appear necessary to state whether the preferences to be granted should be by way only of decreases of duty, or by way only of increases of duty, or by a combination of both. Every clause of it has been drafted so that those who adopt free-trade principles, as well as those who are protectionists, may unite—as they may well unite in the first stages of the discussion of this great question—in declaring their willingness to take any further advance which may be possible, consistent with their principles, towards the consolidation of the trade of the Empire. Consequently, I desired in drafting the motion—having regard to the circumstances under which it was bound to be submitted to this Parliament —to omit, as far as possible, every cause for friction or disagreement. None of us can disguise the fact that as we proceed our paths will separate. Those who may go hand-in-hand up to the point of declaring in favour of preferential trade relations with the mother country, will commence to differ so soon as the measure and character of those preferences have to be decided. We shall afterwards be found so widely separated that we shall probably come to open conflict. But in the initial stages, by way of laying a foundation, it seemed advisable to frame the motion in as non-contentious a manner as possible. That was done. I have now to admit that in the closing hours of the session it will probably require to be much simplified, in order to commend itself to the attention of honorable members, and to permit of our obtaining from them—as I trust we shall before the prorogation—an expression of opinion, which, although even of a general character, may be taken to represent the opinion of the people of Australia as a whole, and, as such, may receive that consideration elsewhere which will be its due. Upon this phase of the question, I shall, perhaps, have a few more words to say at a later stage. But, with that conciliatory object, and having regard to the pressure of time, I propose to ask honorable members to pardon me to-day if I do not make any attempt to deal with this great question as it deserves, and as I should have sought to treat it if this had been the first, instead of one of the last days of the session. I propose merely to indicate what must be put aside under these exceptional circumstances, and then to show upon what a comparatively narrow point we may concentrate our attention. In all political

questions, it is possible to take two different views. The one, which is customary, takes into account only that which is obvious, immediate, and direct—the consequences of to-day—and by these we are often governed; the other takes into account consequences which are indirect, remote causes and effects, the principles from which they are derived, and on which they depend. These involve very large considerations, and call for treatment corresponding to their magnitude. But neither the detailed discussion of the particulars upon which preference should be proposed, nor more than a passing recognition of what that preference is, or may come to mean to us nationally, is possible to me to-day. I find myself restricted in every direction, but do not wish to be thought so blind to the occasion as to suggest that the treatment which I shall give to this question is in any way adequate. Ever since the commencement of this session I have been waiting for the most favorable opportunity to launch its discussion. Even as far back as 26th September last, I made an explicit statement of my intention to bring it before the House at the earliest opportunity, but, owing to circumstances over which I had no control, it has not been possible for me to submit this motion before to-day. The session, which has been absorbed with other work, has almost expired. The minds of honorable members have been occupied with other matters, and I find myself addressing a House which may well be considered to have exhausted most of its strength and energy in disposing of the great question which we had under review last night. I trust, however, that after the Appropriation Bill has been passed by this House, and whilst it is receiving elsewhere that consideration which is its due, under the Constitution, a full opportunity will be afforded us to deal with this motion, not in an academic fashion, but in a definite way. I trust that we shall have an opportunity to make an assertion of principle. If it be not possible to arrive at a unanimous agreement, even in a general way, I hope that, at all events, by the generosity and consideration of honorable members, we may agree to take a vote upon a condensed summary of the principles which underlie the proposal. I hope that honorable members may be content to vote on such a summary without necessarily expressing their opinions at the length which they would otherwise desire. Even the restricted field which I propose to occupy necessarily involves the raising of an almost inexhaustible series of problems of immense magnitude and complexity. This question may hereafter be submitted to the House in a practical way. It will probably come before us in the form of a measure of a few clauses comprising a comparatively limited number of proposals, as a simple business matter, capable of being dealt with upon business lines. But, however short and simple that proposal may be, nothing can disguise from us the fact that, in dealing with it, we shall be taking the first step upon a high road of progress and advancement. In doing so we must pass under review many of those fundamental questions which underlie the whole of our politics, and determine the whole of our future. The question to which I first direct attention is not how this movement begins, but where it leads, and where it will end. I am aware that at a later stage we shall be divided into two schools. We shall have, on the one hand, those who believe that what is called Empire and Unity is possible only by maintaining our present fragmentary and isolated conditions with relations of good fellowship as long as amity endures. We shall have on the other hand a school comprising those who believe that our condition is unstable, untrustworthy, impermanent, and requires to be replaced, gradually but surely, by a fuller and more complete organization of ourselves and of the sister communities united under the Crown.

Mr. BROWN.—It has stood the test for a good while.

Mr. DEAKIN.—For only a short while. The test which is applied this year is not that which was applied last year, much less ten years ago. The circumstances of the world are being transformed. Its means of communication are changing; its people are varying in their relative powers and developments; their aims and their armaments are altering. We are confronted by a constantly changing situation, which has to be met, if we wish to preserve our consistency, by a constantly changing attitude adapted to the new circumstances that from time to time we are called upon to face. If the world moves, and we stand still, we none the less take the responsibility of that decisive course of inaction. In discussing questions of this kind on previous occasions, I have endeavoured—but quite in vain—to guard myself against the supposition that in pointing to the probable or the

necessary consequences of a step which is being taken, one is indicating an immediate result. When introducing the Conciliation and Arbitration Bill I ventured a forecast of its social operations, its meaning, and its influence with that confidence which I still feel in it as containing, in its essence, the principles of social and industrial justice. But I expressly guarded myself, as I wish to do in dealing with this motion, against any such ridiculous assumption as that the measure, important as it was, would, if passed without diminution, be more than the first short stage upon a very long road. Humanity has a long history, and the more we know the further that history recedes into the dim darkness of the past, measured now by tens of thousands of years, where formerly it was measured only by hundreds. So in dealing with the future, we speak of periods of time with which we cannot cope, and are not called upon to cope, but to which we must look to endeavour to discern what will be the fruit of the tree which we are planting. We are called upon to consider, not merely immediate consequences, but those of a later date. It is the common misconception of those who criticise our statements that the ultimate results we predict for any measure are to be visible on the morrow. And so in dealing with the great principle of arbitration—one of the greatest principles of modern times—in introducing the Conciliation and Arbitration Bill the consequences to which I referred were those which I still believe the future will demonstrate. But they will not arise from that measure itself, and certainly will not be discernible in the first few years of its operation. In the same way I am not speaking of the results of preferential trade as determined by any particular measure which may hereafter come before us, or by the assent which we may give to-day to this proposal, as being anything more than an indication of what may gradually develop, as I believe it will, into one of the most important movements in the history of the Empire to which we belong. That development will not take place this year or next year; many years must elapse before it asserts itself to the full.

Mr. Glynn.—What is the goal?

Mr. DEAKIN.—I propose to deal with that presently.

Mr. Poynton.—Imperial Federation?

Mr. DEAKIN.—The term "Imperial Federation" would probably receive a different definition at the hands of every honorable member. "Imperial Federation" is one of those phrases which I willingly use, but always with the condition that I am permitted to interpret it in my own way. I refrain from imposing that term upon others, because it is so apt to mislead. The vital considerations of profound importance to which I shall allude may increase to a very considerable extent the burden of modern citizenship from day to day and year to year. Our endeavours to meet modern conditions impose upon us as citizens a greater and greater burden—more municipal duties, obligations, and risks; more State duties, obligations, and risks; more Federal duties, obligations, and risks; and soon more Imperial duties, obligations, and risks. It is the gradual assumption of this ever-increasing burden by the masses, with its necessary adjustment to our capacity, leisure, and opportunity for dealing with public affairs, that we have to recognise. I claim that this movement forms an unavoidable part of our future. It is an unescapable incident in the natural development of the people and country to which we belong. Of course, everything in this great issue turns upon proportion, and perspective. There will be hostile critics of my remarks who will easily turn into ridicule what I am saying, by gazing through the wrong end of the telescope, or inverting the proportion of the matters with which I am dealing. Against criticism such as that it is impossible for a speaker to protect himself. But before leaving these introductory remarks, let me add that we cannot expect to arrive at a conclusion upon these subjects until we have asked ourselves a series of questions to which none of us is yet prepared to give a complete answer. We must ask ourselves in what sense are the British people an Empire? We must inquire what our Empire means, and what it should be; what is its present value to us, and what are its prospective value and opportunities. We must ascertain how the existence of this Empire is reconcilable with the self-government of its parts, and how the full development of our self-government is reconcilable with the increase of Imperial strength and authority. No one will suppose that I shall attempt to answer even one of these great problems which are interwoven with the minor issues now being submitted to us, yet with which we must deal, consciously or unconsciously, according to our ideals in regard to the great fundamental ideas of which I have spoken.

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How those of us who live under the Empire are to preserve, defend, and protect it may appear to be a question far removed from every-day life, because we have hitherto marched under the sheltering ægis of the Mother country, in the paths of peace, and cherish the hope that our probation may long endure. We have no guarantee of its endurance, and every incident now taking place in the world around us seems pregnant with the warning that we are passing through an era in which old boundaries and landmarks will be moved, so that unless we are prepared to rely upon ourselves, by a constant consideration of our ends and aims, we may be found lamenting too late that our opportunities have passed away. I am not moved by that spirit of patriotism which exhibits or implies antagonism to other nations, because, in my view, every nation, under Divine Providence, fulfils its own task, and all are conjoined in the common work of humanity. But while the care of other nations is not directly cast upon us, the responsibility for our own actions, and for our own Empire, rests upon our shoulders, and it is that which we are called upon to discharge. If, as is acknowledged by common consent, constitutional government, as we know it amongst Anglo-Saxon communities, and as we see it copied elsewhere, has been the great original creation of the people from whom we have sprung, and our own most priceless heritage, is it not probable that there still remains for us a greater development of that principle? We may one day be able to show in an era of world empires, one empire consisting largely of self-governing communities—self-governing communities composing a self-governing empire. To that achievement we are addressing ourselves day by day in all the labours which we undertake, on the lines of the historical development of the British people. In the rudimentary pioneering work done in Australia already, we have been playing our part in the solution of this great and far-reaching problem. I do not pretend that we are at the present time ripe for its full solution, nor do I feel called upon to propound a comprehensive and convincing theory of its evolution even if I were able to do so. When we transact our daily business, when we handle the particular bargain which will perhaps represent the first or second emergence of the principle of preferential trade in this Chamber, we shall be grappling with a subject with which every man in the street will be able to grapple, without taking into account, unless he so desires, the main issues which I have stated. He may regard the subject simply from the standpoint of self-interest, by asking, "Will this pay Australia? Will it pay Great Britain? Will it pay the Empire?" Those are the questions to which it will be necessary for him to reply. But while discussing them, we shall be doing so under the shadow of transcendent issues, just as the traffic of London, in its chase of commerce, swirls in a whirlpool round the base of St. Paul's. We cannot, in considering concessions or bargains, divest ourselves of their majestic outcome, and of our great future as a self-governing people in an empire made up of self-governing peoples. I do not ask the House to consider the trade relations of the Empire which this motion more immediately affects, because I recognise that they are multifariously prolific in their influences, and the theme is one far beyond the opportunities at present afforded. It means more to us than to any. We cannot forget that we are alone amongst world empires in that we are governed upon absolutely democratic principles, and that the reconciliation of those principles with the Imperial idea is still proceeding. We differ from other empires in that the ocean forms its sub-domain, or sub-dominion, for in a sense the seas themselves come under the flag of the Empire. We are a series of widely-separated and scattered communities, divided by immense distances, and consequently to us ships—the shuttles of the Empire—and electric cables, are the very essence of our political life, though they may play a small or inconsiderable part in the development of our neighbours. It is upon our merchant service and Imperial Navy that our Imperial authority and freedom depends. We, therefore, have to face, both on the political and on the geographical side, a problem which differs from that confronting other peoples. We have to seek to maintain amongst self-governing communities—which do not adjoin as do the States of the American union, but are separated by thousands of miles of ocean—a unity of action, of sympathy, and of aim. This may surely be reckoned among the vastest of human ambitions.

Mr. CONROY.—There may be unity of aim and not of method.

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Mr. DEAKIN.—It does not follow because we have unity of aim that we should insist on unity of method, or that there should be absolute likeness between one limb and another. We are at present separated by great distances, as well as by conditions, by race, and other circumstances. But however different our starting points, we can all have as a goal the ideal of closer union.

Mr. CONROY.—May not these proposals drive us further apart?

Mr. DEAKIN.—That is a perfectly practical and reasonable suggestion, which must be considered at a later date. Even if that be the view of the honorable and learned member, he is by implication admitting the doctrine which I am now laying down, that our desire should be to draw closer together. If we reject any proposal it will not be in antagonism to that desire, but because we consider the particular means proposed unsuitable for reaching it.

Mr. CONROY.—Multiply contract and you multiply differences.

Mr. DEAKIN.—And yet business continues to live by contracts. The questions which we must sometimes consider will involve a fiscal issue, scarcely yet examined, though it will be broached—the question whether Imperial protection, protection for the Empire, is not a policy which will have to be taken into account. We have also to realize that, just as a self-governing Empire allows its communities the utmost freedom of political control, so, as a necessary corollary, and not as a contradiction, it allows them complete trade and fiscal control. The growth of protection in the self-governing communities which make up the Empire is no more inconsistent with the Imperial idea than is the existence of such self-governing communities themselves. The two things go together inseparably. That, I admit, adds to the complexity of our problem, but it defines the nature of the Empire, whose peoples, taking their fortunes into their own hands—subject to a very large and general control from the centre—have been endowed with the richest privileges of self-government, which they exercise according to their judgment and their reason. We require to recognise, both in trade and politics, that the Empire is, whatever may be the meaning of the term "Imperial Federation," if it be properly interpreted, a Federal Empire, an Empire existing with the glad consent, harmonious, and relatively independent action of its parts. It is not an Empire of the sword, of force, of centralized domination, but of voluntary and intimate unity. The Empire is Federal, or it is moving towards the goal of Federation, just as Australia, Canada, and much earlier the United States of America, have moved towards and attained that goal under simpler conditions.

Mr. GLYNN.—The point is the method of Imperial Federation.

Mr. DEAKIN.—And the determination of its conditions—the degree of Federalism, of authority in the central power, and of independence in the self-governing States. Those are the problems which we are beginning to unfold. No one will believe that I am capable of assuming that they will be solved during this debate, or even in my life-time.

Mr. CONROY.—It is a matter of sociological development to a certain extent.

Mr. DEAKIN.—I trust so. I have dwelt upon these immense problems so long because, though unobserved, they knock at the door of every working man and woman in the Empire. This is a people's question if ever there can be one. . Immaterial as are the forces and elements, vast as are the dangers and problems we are considering, the severance of this Empire, if that be conceivable, not to speak of the fall of this Empire, which, I trust, is inconceivable, would inevitably carry in its train incalculable disasters and sufferings to the masses of the people who make and enjoy it. We are not discussing this question to-day, and I am not putting these problems in the interests of any class or section, but am submitting them because they most directly and permanently affect the well-being, the wage-earning capacity, the social status, and general prospects of the people of Australia, and of the other communities of the Empire. The Arbitration Act and the industrial legislation we have passed possess value only because we are sufficiently strong and protected from without to develop in our own way, and according to our own ideals. If once the axe were laid to the root of the tree which shelters us we might fold the scroll of our industrial history, put aside our pacific pursuits and aspirations, and at once set ourselves to the task of sharpening teeth and claws. We would need to drill often and fight hard to protect the territory, still too great for us to control and develop, which we hope to be able to hand down to posterity, because

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otherwise the heritage of our children would pass from them to other rulers who would hold us in the hollow of a mailed fist. These are not questions for the philosophical student or the imaginative dreamer, but are practical, and must come home upon reflection to the people of Australia. I have already observed that the conditions of the modern world—happily, or unhappily, we, as creatures of the day, are not qualified to judge—which are opening up wider possibilities for all the Asiatic populations, and promoting the novel developments we are witnessing in Europe to-day, indicate the end of the era of relative peace which we have enjoyed. They foretell a clash of martial arms that may ring round this planet and determine the fate of nations. Therefore it befits us, if we wish to defend what we have, and to hand it down to our children, to consider all the means possible by which, while time is allowed to us, we can strengthen the position we occupy, making ourselves more desirable as friends to those who look favorably upon us, and more dangerous foes to those who regard our prosperity with jealous eyes.

Mr. Kelly.—What the honorable and learned member suggests is not the only means of attaining that end.

Mr. DEAKIN.—I am not suggesting so. I am only now proposing one of the means.

Mr. Conroy.—Such means as the honorable and learned member proposes have proved fatal in times gone by. They nearly resulted in the loss of Canada.

Mr. DEAKIN.—The means then adopted were of another character, as I shall show. The point which I desire to impress upon the Committee is that it is becoming necessary for all our self-governing communities—for what used to be called the commonalty, and those whose interests are bounded by the bread-and-butter horizon—to think imperially, to realize what they owe to the Empire, in order that they may then proceed to recognise what the Empire owes to them. Although even within each township and hamlet we find brought into play a certain amount of antagonism in industrial life, competition for employment, and in the sale of goods; even though in our own streets and among our own people we find the keenest and fiercest competition for livelihood and wealth, that struggle is less keen and serious, because our people work under common conditions, and live, in the main, under similar standards. The crush of competition with outside peoples, who may have reached different stages of civilization, and whose aims in life may be in vivid contrast to our own, is much more deadly. Efforts have been made to prejudice the public mind against the serious consideration of the question which I am now presenting to honorable members, by the introduction of the term "Imperialism." That word has been interpreted as if it had to-day the meaning which it bore in the Roman Empire, when imperialism meant militarism. We have now long passed beyond that stage. The imperialism of the future contemplates that the communities within the Empire shall gather together, bent upon discovering common interests, combine together to develop those common interests, to multiply their means of union and communion, to increase their strength and intercourse, and generally to devote themselves to the task of self-development. These are not militant or aggressive aims, and do not imply centralization. They are democratic, self-governing, self-developing, and industrial ideals which make for peace.

Mr. Glynn.—The greatest development in the direction indicated has taken place in small communities.

Mr. DEAKIN.—The days of the government of small cities, clans, or septs, such as existed of old, especially in ancient Greece, have passed away. We have moved forward to aggregations in nations and states, and we are trending onwards to that great co-operative government of humanity which is the far-off and undiscernible goal of ultimate aspiration. There is no possibility of our returning to the condition of affairs under which narrow subdivided communities flourished in face of the fact that the municipal life of to-day is fuller and freer, and affords greater opportunities for the exercise of power by the citizens than when of old each was economically sovereign. If we have lost anything, it is the opportunities for that local development of ability and intellect, which, amongst that greatest and most gifted of all ancient peoples—the Greeks—gave us a story which still excites the wonder and admiration of the world. When I speak of Imperialism or Empire, I reiterate, and cannot, perhaps, do so too frequently, that I have no schome to suggest in that regard. I am merely indicating the direction in which we are moving, the goal towards which we are tending. We have to solve the problem in a

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manner characteristic of our race—perhaps sometimes too characteristic—because with us practice has often outrun theory. We have often done the right thing before we have thoroughly understood the principles on which we have accomplished our ends. Other people have seen further, but have realized less. I suppose, however, that we must be content to muddle through—to take, step by step, stage by stage, and feel our way, by practice and experience, as we go. I have no desire to alter that method, because I recognise that no other is possible. When I speak of these future ideals, I am not proposing any cataclysmic change, political, social, or Imperial. If a growth comes—it will develop bit by bit, step by step, line by line, here an expansion, and there a fresh fibre.

Mr. GLYNN.—Whilst the honorable member is attacking the existing system of an alliance under the Crown, with an Imperial reserve of parliamentary power, why does he not suggest some alternative?

Mr. DEAKIN.—In the first place I do not attack. I think that the Crown is a great reserve power, and one of the richest sources of democratic development. If the power now vested in the Crown had been taken away from it, it would be vested in a class, and would not be susceptible of the use that has been made of it, since in the process of development the advisers of the Crown are subject to Parliament. Our present choice is a popular choice between integration and disintegration. Consider the anomalous position which the Empire occupies to-day, that is to say, how far it is in reality an unity. It has a throne—one throne and one flag, it has a Legislature—a supreme Legislature, in which numerically the greater proportion of the subjects of the Empire are not represented. It consists of a series of self-governing communities among which we are numbered, linked to communities with less self-government, and of different races. What community is there beyond that of the responsibility, which we all share in some faint degree, in the fortunes of the Empire—a responsibility which has so far carried with it no representation even in the supreme Legislature? The Empire depends upon a navy belonging to the mother country, and the mother country alone, although assisted by voluntary grants from some of her dependencies, and is protected chiefly by an army that is also an army of the mother country alone, although it may on occasions be assisted by the military forces of her dependencies. Beyond the fact that the Empire has one law, though two courts of final appeal and one Crown, it has not that basis or solidity of structure which an Empire, properly so-called, requires for its efficient working. That is what the Empire is to-day. What it may be in the future I shall not endeavour to foreshadow, except to insist that to remain as it is, with only these outgrown ligaments and a certain community of interests with regard to the risks of war and a kind of common expenditure for naval defence, is to court disaster. An Empire without a common revenue, or anything approaching it, without a common commerce of any assured kind, and without a common control, representing all the Empire, or anything approaching it, is an anomaly. It cannot be efficient enough to stand the tests and trials of the modern world.

Mr. GLYNN.—The honorable and learned member contemplates the surrender of our local powers.

Mr. DEAKIN.—I contemplate no such thing. The honorable and learned member who possesses in a marked degree the eloquence characteristic of his countrymen, shares also the imagination of his country's poets. Whilst in my plain simple prosaic Saxon, with a dash of Welsh, I am endeavouring to pursue an argument, the honorable and learned member for Angas comes in with a trajectory out of space——

Mr. EWING.—Out of *Ossian.*

Mr. DEAKIN.—*Ossian* is a suitable source. I am unable to see the relevancy of the honorable and learned member's interjection to the particular line of argument which I am pursuing. But I am aware that he looks far ahead, and am quite prepared to believe that when we hear him, we shall find that the standpoint from which he argues will justify the interjection which he has made.

Mr. GLYNN.—My prehistoric ancestors were Welsh also.

Mr. DEAKIN.—In regard to trade, what is our position? Fiscally, there is no real recognition within the Empire of its existence. At the present time, Australia and other parts of the Empire trade as liberally and freely with foreign nations, which may be rivals to-day, and which are possible enemies to-morrow, upon exactly the same terms as they do with the mother country, which, although she may be a rival to-day, cannot by any possibility be an enemy to-morrow. As far as commerce is concerned, we

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recognise no other consideration than that of dearness or cheapness. If we can import more cheaply from the country which most threatens our liberties and our future than from the country which upholds our liberties and secures our future we buy the cheaper article. That is to say, the price we pay is our only consideration at the counter, notwithstanding the fact that we may be a partner in the shop next door, which is selling its wares a little dearer. What we have to determine is that these large, vague, and general considerations shall be appraised at something like their true value, so as to affect our trade and all our politics. We ought to ask ourselves, when weighing this question of cheapness, whether the penny less is always a compensation if we pay into the pockets of a rival instead of putting the price and one penny more into an establishment of which we are shareholders. If, for instance, we proceed as my resolution proposes, I believe we shall follow the example of the mother country. She makes commercial treaties which secure her the most favoured nation treatment, because, her ports being open to all nations, they are all equally favoured there. But other treaties between foreign nations already exist, in which considerable concessions are made by each to the other, not extended to the mother country. These nations have no more to expect from Britain, but they have something to expect in the way of favouring their exports against those of Britain for other countries. Therefore, between foreign countries treaties now exist under which, by means of fiscal concessions, they secure a larger portion of each other's trade. When the present position has existed long enough to allow proposals to come to us for commercial treaties such as have been made with Canada—a special treaty existing between Canada and France at the present time—when the different portions of the Empire begin to make treaties with foreign countries for reciprocal trade advantages, what, from a trade and business standpoint, will the Empire be then? Is that an ultimate union to which we can look forward with confidence either from an Australian point of view, or as citizens of the Empire? If special agreements are entered into between the mother country and her self-governing dominions, the present custom is to say that they will be made at somebody's cost. It is usually urged that the British workman, or the colonial purchaser, will have to pay something more. I do not admit that. Treaties can be made which would not raise the cost of articles upon either side, and which would still confer a mutual advantage. Others can be made which would, or might incidentally or temporarily for the most part, raise prices. Again, it is a question of how much? There may be an increase in price, which is inconsiderable, and a compensating advantage, which is considerable. Treaties can be made, which, if they do raise prices, should be considered from the stand-point "What do you receive in return?"

Mr. CONROY.—Then the honorable and learned member would buy sentiment and friendship?

Mr. DEAKIN.—We cannot buy friendship and sentiment. I have yet to learn that friends in the same business are less competent to make business arrangements, merely because they are friends. The whole experience of our modern industrial life gives the lie direct to that suggestion. Let me assume that the honorable and learned member and myself practice at the same bar. It is obvious that the brief which comes to him cannot come to me. That fact, however, would not interfere with our friendship. Friendship and sentiment remain. All I have to say upon that insinuation is that it is a poor friendship and sentiment which cannot stand the strain of the everyday competition which is universal in the modern world.

Mr. CONROY.—Does the honorable and learned member mean to say that we can increase friendship and sentiment by buying it in the fashion he refers to?

Mr. DEAKIN.—I do not affirm that we can buy friendship and sentiment, but I say that we may increase the opportunities for establishing friendship by bringing our people into closer trade relationships. They may adapt their products and themselves to each other's needs. The honorable and learned member for Angas has upon the business-paper a motion, which declares that our loyalty will not be affected if trade relations remain as they are.

Mr. GLYNN.—No; I wish to repudiate Mr. Chamberlain's statement.

Mr. DEAKIN.—I do not know that Mr. Chamberlain made the statement to which he refers, but if he did I know of no living man who is better able to defend it. Some honorable members declare that they are loyal in the absence of any advantages

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in commerce. I believe and hope that they are. But I decline to believe that they would be less loyal because they were also drawn together by the bonds of business interests. I do not suggest for a moment that loyalty depends upon the amount of trade which we have with the mother country. But we are assured that there are possibilities of re-adjusting duties between the mother country and her colonies, which, involving no increase of prices or taxes upon either side, will considerably increase our reciprocal exchange of products. That exchange may be highly to our mutual advantage. That has to be judged from two points of view. It has to be judged from the point of view of the people of Great Britain, who are perfectly competent to form their own opinions. We must leave them to judge for themselves what advantage it will be to them. They have men enough of light and leading to guide them to a right conclusion. With that aspect of the question, I do not propose to deal.

Mr. LONSDALE.—This motion is intended to influence them.

Mr. DEAKIN.—What we are doing here is intended to influence opinion in other parts of the Empire, and legitimately. The honorable member was quite willing to attempt to influence opinion in the Empire by assisting to pass a resolution in reference to the action taken in another colony. Why should he not be prepared to influence that opinion in connexion with this great question? Every imperial proposal which we indorse has some slight, far-off influence upon public thought throughout the Empire. So it ought to have. We are open to be either approved or censured. Everything which we do cannot but exercise some influence upon our own people. We are seeking by a frank expression of opinion to enlighten each other and to sway those who take the pains to consider what we are doing, and why we are doing it. I propose to avoid the task of analysing figures to-day. With the limited object which I have in view, it becomes unnecessary to say more than that during recent years in Australia we have had before us the fact that, comparing British with foreign imports the gain has gone to the latter. There has been a stage at which foreign imports have declined, but then British imports have declined still more. That condition of things will rather tend to increase. If our market be worth anything to the mother country, it is worth maintaining against the invasion which is actually proceeding at the present time. It is true that trade follows the flag, but it is equally true that the flag follows trade, and it is also true that shipping follows both trade and flag. What we have to consider is whether it is not a matter of great importance to the Empire that the fruits of Imperial citizenship with our trade and shipping should pass to another flag. Any one who has suffered the experience which I underwent when visiting Chinatown in San Francisco, seeing one of the largest portions of that great, wealthy, and progressive city absolutely conquered by an alien race, whose members were living under the control of their secret societies, content to dwell three stories underground, herded together ten times more densely than Europeans, will realize what it means to have a strange and foreign community introduced into the territories of the Empire. We may draw our own conclusions in respect to that for Australia and elsewhere. Anybody who knows from the direct relations of those who are engaged in shipping what is taking place at Singapore, must know that there, line after line of steamers has passed from the British flag to another flag. Singapore itself is virtually owned by the Chinese, while to-day, for every vessel leaving that port flying the British flag, I am assured that two or three vessels leave flying a foreign flag.

Mr. HIGGINS.—See what the Imperial Government are doing in the Transvaal.

Mr. DEAKIN.—What is done by one Government or general election can be undone by another; what has been done at one time can be reconsidered at another. I do not criticise British politics. Its people act as they think fit. But with these lessons before us of what it means to have a foreign community introduced into our country and citizenship, or invading our home trade, while our outside trade is passing under foreign flags, we surely have a right, as members of the Empire, to take them to heart. The only figures I propose to quote are those which indicate the possibility of diverting within the Empire trade which is at present without it. I find that in 1903 the imports — including gold and bullion —into the Empire represented upwards of £900,000,000. Adding the exports of the Empire for the same year, I find that the total trade was £1,600,000,000. There may be a large proportion of these imports

which the Empire cannot produce profitably, and a large proportion of exports which we cannot consume. With those, I do not deal. The enormous magnitude of these figures suffices to show the margin we have to work upon. They show the portion of our trade which now leaves only one of its profits in the Empire, and puts another profit in the pockets of our rivals, and probable enemies. That trade may be retained within the Empire to the lasting benefit, especially of those portions of it which, like Australia, are but imperfectly cultivated and inadequately settled. Who can limit the productive power of Australia in respect of the very produce which we desire to export, and for which the British markets are the best in the world? At present the whole of the British Empire does not produce more than one-third of the wheat which is purchased in Great Britain. Two-thirds comes from foreign sources, and only one-third of the Empire's crop comes from Australia. That is one illustration of the relatively boundless possibilities which are open to us in regard to the production of wheat, meat, butter, fruit, wine, oils, and a great variety of other products, which Australia is admirably fitted to produce. With a sufficient white population settled on available land within the area of reasonable rainfall, we should be able to raise these products in almost any quantity. We could at all events produce sufficient to supply a large part of the demand of the best market in the world—the market of London—instead of supplying only an inconsiderable fraction of it.

Mr. JOSEPH COOK.—Mr. Chamberlain desires a Tariff that will enable British farmers to produce these things for themselves.

Mr. DEAKIN.—Their Tariff may do something to enable British agriculture—the losses of which to-day are estimated at hundreds of millions sterling — to recuperate. If the British people think fit to adopt such a Tariff, we shall have no cause to complain. All I say is that it ought to be possible for British people to obtain the whole of what are known as food products within the British Empire without raising the price to the British consumer. The British market—with our producers enjoying an advantage over the foreigner, and competing only against those within the Empire, who share with us the cost of common defence and common national ends—would mean the multiplication of our population, and a settled, occupied, and productive Australia. It would mean much for our manufacturers, who may say " Preferential Trade would be beneficial to those who are called the primary producers rather than to ourselves. We cannot hope to invade the English market." But what is the best market for our manufactures? The home market. What increases the demand in the home market? The multiplication of the number of producers on the soil. And what better or healthier development of the market for our Australian manufactures could we have than that resulting from the multiplying of the number of producers engaged in raising the food necessary for the Empire —food which, if obtained from outside the Empire, might be shut off in time of war.

Mr. BRUCE SMITH.—Why has the honorable and learned member always endeavoured to draw the population into the towns by protective duties?

Mr. DEAKIN.—I do not think we have endeavoured to do so.

Mr. BRUCE SMITH.—That has been the case in Victoria.

Mr. DEAKIN.—I reject that suggestion. I do not wish to enter upon a consideration of the fiscal question, but every man is not fitted for a country life any more than every man is fitted for town life.

Mr. BRUCE SMITH.—But the matter is not left to nature. Attempts are made by artificial means to attract men to the towns.

Mr. DEAKIN.—The honorable and learned member must remember that the art which adds to nature is an art that nature adds. If he is drawing a contrast between physical nature and human invention, skill, and art, I would remind him that humanity lives to amend, and, so to speak, improve nature. And so, we seek our ideal of endeavouring to make the trade of the Empire a home trade. We all know that in the time of Adam Smith, as well as before, the home trade was always regarded as the most attractive and profitable. At the present time, the home trade means the trade within each country. That will always continue, to a large extent, to be its meaning. We seek, by judicious effort, to make the Empire trade a home trade for all its communities, so far as it shall be profitable and fair to do so. No one

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in Australia desires to be partner in any scheme to nefariously take advantage of the British people. We consider ourselves capable of electing men who will be sufficiently intelligent to see that we are not nefariously treated, and we have sufficient confidence in the statesmen of the mother country to believe that they will see that her people are not unfairly treated. We propose nothing unjust. We desire a fair arrangement. If it cannot be made, then our friends, the political agnostics, will have won the day. Considering the spirit which prompts us, I think that the attempt to secure this arrangement should receive the encouragement even of those who differ from us. Let us gauge, test, and search the possibilities within the Empire for united action. Let us press on to the very last issue in order to discover if there be any means by which we can fairly re-adjust the trade of the Empire so as to aid in the development of its undeveloped parts, and maintain the wealth and prosperity of its great centre. It is a noble aim, and if it fails we all shall regret it. I believe it feasible and relatively within our reach, but admit that very little will be done at the outset or for some time. We shall have to feel our way. We shall have to judge every scheme by the test of facts, and not by the test of theories. I hope that we shall very largely brush away abstract doctrines. Those who would admit that in the abstract the doctrine "buy in the cheapest and sell in the dearest market" is the best, might be led to consider that the maintenance of the strength, the dignity, the prosperity of the Empire are worth something, and that if the market in which we buy be not within the Empire itself it may not be the cheapest, even if it seemed so according to current price lists. That would be a perfectly reasonable consideration to weigh with the most devoted advocate of free imports. He would say, "National considerations impel me to test the abstract theory, so as to make myself certain what is the most advantageous course, because I realize that in the perpetuation, maintenance, and expansion of the Empire we shall find better opportunities for our race, and better means of fulfilling its duties." It may be cheaper to pay a little more for a time, or more profitable in the long run to take a little less at present, to make or keep our own market. That is possible. Let us examine every scheme. I desire that this matter shall be probed to the bottom, in order that every means of bringing the mother country and her dependencies together by mutual exchange and the development of mutual trade for mutual advantage shall be employed. We must be prepared to make mutual sacrifices when the time comes. It is easy to say in advance we shall be prepared to give up everything. The test will come when we are asked to make a sacrifice. I admit that we must approach the consideration of this question prepared to make mutual sacrifices, in order to obtain mutual benefits. Every business man makes sacrifices in his business from day to day, in order to secure what he considers adequate benefits, and in entering into an arrangement with the mother country and the rest of the Empire we must also be prepared to make sacrifices.

Mr. Bruce Smith.—The honorable and learned member might as well ask a navigator to experiment with his chronometer when his vessel is in mid-ocean.

Mr. DEAKIN.—I do not ask for anything of the kind; but I remember that some of our boldest sailors lived before the days of chronometers. They steered by the stars, and took their risks, as we are prepared to steer by the stars of patriotism and accept the risk.

Mr. Kelly.—The percentage of shipwrecks in those days was much greater than it is to-day.

Mr. DEAKIN.—There were no statistics then. I do not for one moment suppose that any complete scheme of preferential trade could be arranged at the outset. We must begin with a moderate tentative experiment, to be gradually developed. After all, although the present Prime Minister of England is not a protectionist, he is one of those philosophic statesmen whom Plato thought most fit to be intrusted with the government of humanity. The steps which Mr. Balfour has been able to take on the road to what he calls retaliation—which is really Empire preservation—are steps on exactly the same road that we are travelling. Even that must carry with it benefits to us as well as to the mother country. We must not despise the day of small things. In any case, we shall not be taking an irrevocable step. What will be first accepted on both sides will be a tentative practical scheme, that can be amended, or, if necessary, rescinded. The Empire will not part with its self-governing character. No

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House of Commons can bind, or would seek to bind, all future Houses of Commons, and in the same way no part of the Empire can bind itself to any scheme for more than a limited period. The arrangements entered into will be tentative, experimental, and modest in their inception. They will be capable of being rescinded, and especially capable of being varied. No doubt they will require to be varied. They will require to be gradually adapted to the needs and opportunities of both parties. We can enter into this experiment without the slightest apprehension, because it will be undertaken with the approval of the different countries and peoples affected, and will be capable of being reconsidered and amended, if necessary, by either party. It will be an agreement after the manner of the treaties entered into by the mother country and foreign powers, which are for a fixed term, renewed from time to time.

Mr. Joseph Cook.—Could the honorable and learned member conceive of a zollverein, once having been entered into, being mutually dissolved?

Mr. DEAKIN.—I think not, because it would be found to be mutually profitable. I believe that if a zollverein were once formed it would grow and continue to grow. That is one reason why I support it.

Mr. Joseph Cook.—Would it be possible to dissolve it?

Mr. DEAKIN.—Yes.

Mr. Joseph Cook.—Not without an upheaval.

Mr. DEAKIN.—All that would be proposed would be an agreement for a certain term. It would be recognized that at the outset an experiment was being made. There must be a test by facts, and not by theories. I have to mention my own views on the subject, but disclaim any desire to press any prophecies on the House. We should first show that the scheme will be profitable when applied to certain imports, and then, if we find it profitable, extend it to others, then to still others, and so on. When you have reached the limit at which an arrangement ceases to be mutually profitable, stop. When you find that you have made a mistake, retrace your steps.

Mr. Joseph Cook.—It is all so easy.

Mr. DEAKIN.—It is not easy.

Mr. Lonsdale.—These are matters of great Imperialistic concern!

Mr. DEAKIN.—They are the tasks of self-government.

Mr. Bruce Smith.—The honorable and learned member proposes to interfere with great national interests as though he were playing at skittles.

Mr. DEAKIN.—If the honorable and learned member had heard the beginning of my speech, he would know that I have acknowledged that our commencements must be small, tentative, cautious, and dealing with picked items—the experimental method by which our forefathers have felt their way along the road of constitutional government.

Mr. Bruce Smith.—Our shipping interests have increased to such an extent that they now produce £90,000,000 a year. The honorable and learned member's proposals, if adopted, might seriously divert that trade.

Mr. DEAKIN.—I have said that I regard our shipping interest as Imperial and most deserving of conservation. I wish to see the British mercantile navy manned by British sailors, and emphasize the word "British" in both cases. I hope that it will be fostered by the Empire, and developed to its utmost capacity. If it were impaired, a great blow would be struck at our very being. Just as the Federal movement in Australia, when it was languishing, received an enormous support from that great statesman, the late Sir Henry Parkes, who stepped out of the path of local legislation, and put himself at the head of the movement to effect its consummation, so we have seen in Great Britain the statesman to whom reference is made in my motion, step out of the groove of English politics to put himself at the head of this movement for preferential trade. The reference in my motion has been misunderstood by an English newspaper, which has taken the words of its second paragraph—

> The proposals of the Secretary of State for the Colonies at the Colonial Conference of 1902——

to intimate that the proposals of this character proceeded from Mr. Chamberlain. His proposals were ante-dated by many years by proposals and by action from within the Empire. The Canadians had taken several steps in preferential reductions long before 1902. The misunderstanding is due, perhaps, to the manner in which I have worded the paragraph, but I did not intend to suggest that these proposals had proceeded from Mr. Chamberlain, or from any other Englishman. They proceeded, in the first instance, from Canada, and from other self-governing

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communities, and were taken up by him in 1902, and developed in a manner which has been of the greatest advantage to the people of Great Britain. It is not for us to discuss British politics, and I do not propose to do so. Our agreement, or disagreement, with Mr. Chamberlain on this, or any other matter, is foreign to the subject at hand. He is a statesman who has lived long enough to make many friends and admirers, and many foes. I had the honour to meet him in 1900, when, with Sir Philip Fysh, and others, I visited England in connexion with the draft Commonwealth Constitution. He was then, so to speak, our antagonist. He took a view contrary to that which we desired to enforce, and used all his ability and influence to carry his point. But we had to confess the truth of an admission made to me by one of the leading radical journalists of England, when he said, "I am opposed to Mr. Chamberlain in every article of his policy, but there is not a man of my party, or of his, whom I would rather meet in politics, or business." He met us with the utmost fairness, frankness, and openness, and used every possible means to defeat us. The fight was a very unequal one, but he was a very fair and straightforward opponent.

Sir JOHN FORREST.—He helped the deputation a great deal.

Mr. DEAKIN.—I am speaking of him only as an opponent. Afterwards, when we came to an agreement, his assistance was of incalculable value. The English people, and we, so far as we are interested, should be grateful for having at the head of this movement a man of his enormous practical aptitude, great powers, and immense influence in Parliament, on the platform, and in the press. He has his own ideals, and though they may not be reached by the same means as ours, they fit in with our ideals. We are approaching the subject from different points, but we have the same goal.

Mr. BRUCE SMITH.—A few years ago he ridiculed these preference proposals.

Mr. DEAKIN.—No one could do it better. He has the courage of his opinions, and when he changes them, does not deny that he has advanced. He is not one of those who are superior to growth.

Mr. BRUCE SMITH.—One has to know which to accept—the last expression of his views, or the last but one.

Mr. DEAKIN.—We may safely accept the last as containing his final opinions.

Mr. BRUCE SMITH.—The last but one is equally sincere.

Mr. DEAKIN.—But when he put that forward, he had less experience as Secretary of State for the Colonies. While I shall not discuss British politics, I do not propose to introduce the consideration of colonial politics. But we cannot be blind to the fact that in Canada a preference was given, which commenced, I think, at 12½ per cent., and has gradually increased, until it now amounts to 33⅓ per cent. The Canadian people are prepared by arrangement to give a still higher preference to British goods.

Mr. POYNTON.—With certain qualifications.

Mr. DEAKIN.—The honorable member for Parramatta objected that once an arrangement of this kind is entered into, it is impossible to withdraw from it. The Canadians, however, have from time to time amended their preferential arrangements, and in the last instance increased their protective duties against British as well as those upon foreign manufactures on two particular lines.

Mr. JOSEPH COOK.—On each occasion declaring that they would surrender nothing of their sovereign power.

Mr. DEAKIN.—No surrender of sovereign power is asked for in the proposals which I have put forward. The Canadians have lately raised their duties on woollens against British as well as against foreign manufactures.

Mr. JOSEPH COOK.—In each case saying that they would make no bargain.

Mr. DEAKIN.—They are prepared to make a bargain. The Premier of Canada, speaking on behalf of his Government, which is supposed to be a free-trade Administration, has said that in the most explicit and emphatic manner.

Mr. WATSON.—And in August last his Treasurer said the same thing.

Mr. DEAKIN.—Yes, they have declared that they are prepared to make a business arrangement, and to enter into a treaty. I do not wish to discuss what has been done in South Africa, where protective duties were raised 2½ per cent. against the world, and were then lowered by 25 per cent. in favour of Great Britain, giving her manufacturers a preference of 2½ per cent. An example nearer home has furnished us quite recently with the third instance—a concession having been granted to Great Britain by New Zealand without asking for a return. To determine the value of that concession, I

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wrote to the Right Honorable Richard Seddon, asking him to be good enough to inform me what its results have been. May I add that he has proved himself, by his successful administration of that great Colony, for more than ten years, one of the largest-minded men, most vigorous administrators, and capable politicians in the Empire; whatever he has done bears upon it the stamp of success. In reply to my letter he wrote—

In reply to your letter of the 19th October, I beg to inform you that it is too early to make any very reliable estimate of the effect of "The Preferential and Reciprocal Trade Act 1903." This arises from the fact that there is exemption up till the 31st March, 1904, in the case of all goods ordered before the date on which the Bill was introduced, namely, the 16th November, 1903. And in respect to printing paper for newspapers, this is exempted by Act for practically three years, whilst rails for tramways have also been exempt during the six months ended 30th September, 1904, owing to a special provision in our Act. Our extra duties virtually have only been collected from the 1st April last——

I omit some references to the figures, which it is not necessary to quote now. He continued—

Generally, I should say there is an evident advantage to British as compared with foreign trade, and our imports for 1904 are less than they were for 1903. This fact in itself must be taken into consideration in coming to a conclusion as to the working of the Preferential and Reciprocal Trade Act of 1903. The effect in respect to boots and shoes, furniture, and iron is marked, and, in my opinion, will be lasting. I shall be most happy, later on, when we are in a position to gauge more correctly the effect of legislation, to give you the fullest information in this connexion.

The New Zealand experience is therefore too short to enable a final verdict to be passed, but the right honorable gentleman names three important lines which we in this Commonwealth would be glad to see assisted by a measure similar to the New Zealand Act. In three at least of the self-governing communities within the Empire concessions have been made to the mother country, not by way of bargain, but in recognition of indebtedness for the protection received from the Imperial Navy and the Imperial flag, the gift of territory, the protection of our liberties and freedom of self-government, untrammelled by any interference dictated by other motives than concern for the interests of the Empire. On that ground the three self-governing communities which I have mentioned have taken a step which, in my opinion, we should take as early as possible— that is, after the inquiry which I have asked the Prime Minister to make as to the articles in regard to which it is possible to give effective preference to British manufacturers. I hope that when we meet, after the recess, the Prime Minister will see his way to either introduce such a measure, or provide information and give an opportunity for its introduction by a private member. This requires no bargain.

Mr. LONSDALE.—Is there any likelihood of reducing the duties on English boots?

Mr. DEAKIN.—It has been by raising the duties on foreign boots that the New Zealand trade has been improved for both British and local makers. Why should the honorable member ask for that particular reduction? I am not now proposing or considering either reductions or increases. I am placing this proposal on such a basis that honorable members, whether they favour an increase or a decrease of duties, can vote for it.

Mr. JOSEPH COOK.—It is far better to leave details alone.

Mr. DEAKIN.—Yes, because when we discuss them we shall differ. At this stage, however, we can stand upon common ground. My honorable friend might propose reductions of duties with which I could not agree.

Mr. BRUCE SMITH.—Does the honorable and learned member remember telling the Prime Minister, when he sat on this side of the Chamber, that he would not be a party to the reduction of the duties?

Mr. DEAKIN.—I beg the honorable member's pardon. I did not say that. I said that any proposal that preference should be given by a general reduction of duties must come from the other side, and not from me. That is still true. Any general reduction is not likely to be proposed, or supported, by me, but I said then, and I say still that reductions are possible. We have to consider the interests of Australia, whilst the people of Great Britain have to bear in mind the interests of the people at home, besides our common interests.

Mr. LONSDALE.—The honorable and learned member wants preference to just the extent which may suit Australia, and pays no regard to the interests of Great Britain.

Mr. DEAKIN.—The honorable member implies that we are acting from purely self-interested motives, but the answer to that statement is that it is wholly inaccurate. We do desire to promote our

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own interests, but our main motive is of an Imperial character, and our proposals must be made in such a way as to commend themselves to the people of Great Britain, who are just as well qualified to look after their interests as is the honorable member to conserve the interests of Australia. In the last paragraph of the motion, I propose that a formal offer shall be made on behalf of the Commonwealth of a preference to the United Kingdom upon its exports to Australia, in return for a preference upon our exports to Great Britain. In previous paragraphs I have provided for other matters than mere preference. I invite honorable members to approve of the idea of the conference which the present British Government proposes to hold, and to suggest that at that conference the Australian representatives should be prepared with information, gathered as the result of a study of our Customs duties, with a view to indicating the extent to which we can enter into reciprocal relations with the United Kingdom for the benefit of both communities. I believe that an agreement can be made which will prove of great advantage, not only to Australia and Great Britain, but to the rest of the Empire. The necessities of the case call for action upon our part, and the force of sentiment will come into play to assist us in doing that which is required of us. I do not by any means imply that regard for the large considerations which I have indicated should be limited in their effects to any arrangement by way of bargain into which we may enter with Great Britain in respect to trade and commerce.

Mr. SPEAKER.—The time allowed for the consideration of notices of motion has now expired. Is it the pleasure of the House that the honorable and learned member for Ballarat be permitted to continue his speech?

Honorable Members.—Hear, hear!

Mr. DEAKIN.—I have not a great deal more to say. I merely wish to guard myself once more against the idea that the proposals for developing the common interests of the Empire are to be confined to the preferences to be given by way of differential treatment through the Customs. I contemplate that provision shall be made by way of bounties and subsidies for truly national purposes, such as the development of our mercantile marine. In addition to granting countervailing assistance against the bounties and subsidies by which foreign shipping is being built up, it appears to me that the Imperial Government would do well to consider the desirability of making use of those powers of restriction which the Empire possesses in regard to its own trade at least against those nations which hamper us in our trade relations with them and their Possessions.

Mr. Higgins.—Out of what fund would these bounties come?

Mr. DEAKIN.—The proposal made by Mr. Hofmeyer at the Conference of 1897, which I attended, was that a special duty should be imposed upon goods imported into any part of the Empire. and that the revenue thus collected should be paid into a common fund, and applied to purposes connected with the defence and development of the trade and commerce of the Empire. Such a fund could be devoted to the development of our mercantile marine and to the increase of our seamen, who are being reduced in numbers. If we could increase the number of British sailors throughout the Empire we could add greatly to the strength of our mercantile marine, and also to the British Navy. I merely wish to guard against the supposition that, merely by increasing or reducing duties, we shall have done all that is possible in order to achieve the great ends indicated. The forces I have mentioned. and many others that experience may dictate, can be brought into play. If the spirit of unity is enhanced, and our patriotic obligations are fully recognised, we can glady join in any other movements for increasing the strength of the Empire. for the development of its resources, and for increasing the happiness and self-governing powers of its people. We cannot do now separately a tithe of what would be perfectly possible in the future if we were united and acting as one people. Excellent resolutions have been passed at old colonial conferences held from time to time in Australia, but very little has resulted from them. Prior to Federation conferences, representative of the various States. were held, but few of the resolutions arrived at could be carried into effect. Until the Ministers of the self-governing parts of the Empire are periodically consulted, and submit to their respective Legislatures resolutions providing for combined action, we cannot expect to achieve any results in the larger sphere. We can begin there as we

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did here by regular conferences. I do not pretend that we can become a self-sufficing Empire, but it is certainly possible for us to become more self-sufficing and more self-developing than we are at present. We must recognise the gravity of the straits to which we might be reduced at any moment. If the unhappy indescribable North Sea incident had plunged us at once into a serious foreign war, in what position should we have found ourselves in regard to the defence of the Empire, wholly dependent as we should have been upon the Lords of the Admiralty, who are responsible to a Legislature in which we are not represented, and cannot be effectively represented in proportion to our numbers? Such crises are always near us. Proper proportion and perspective have to be observed in considering the views I have been expressing, because in this matter we shall be building, not for ourselves, but for generations to come. We shall be laying the first course of what may afterwards become a mighty structure. The Customs agreements which were entered into between New South Wales and Victoria in regard to the Border duties formed the preliminary steps towards the accomplishment of our Federation, and preliminary steps of the same nature, rudimentary and defective in themselves, will probably commence the great work of commercial union by Imperial reciprocities, which we now have in view. I happened to be reading a letter a few days ago in which Adam Smith, writing in 1760 of the union between Scotland and England, said that to his own knowledge the union had been of infinite benefit to both countries. He had been reading a letter written by a Colonel Hooke, I think, just after the union had been accomplished, in which the writer said that nothing was more universally execrated by all classes of men than the union into which they had just entered, under which the interests of every class seemed to have been injuriously affected. Yet half a century later the great economist himself expressed his deliberate judgment that the union had already proved of infinite benefit. In a similar manner, as an Australian Federation we are passing through a stage in which it seems that every man's hand is for the moment against us. What the people expected I am not prepared to say. What they conceived it possible for ordinary human beings to achieve I do not know. Apparently, they thought that the mere passing of an Act of Parliament to constitute the Federation would, in some mysterious manner, transform the representatives and the electors alike into angelic beings who could commit no errors. We have made mistakes which we are bound to admit, but so far as I am aware, no assembly in the world has avoided them. We have not accomplished everything we desired, but I consider that in the face of the provincial jealousies we have had to combat, and the difficulties naturally attaching to our novel situation, it is surprising that we have achieved so much. Every thinking man who looks at our Federal record carefully and deliberately, while keeping in view what was to be expected under the circumstances, must admit it. And so of the proposals now submitted in favour of preferential trade. We are making beginnings in a small and inconsiderable way. Probably they will be embodied in Acts which may appear to be promoted by self-interest. They will be regarded with a good deal of suspicion and some jealousy. I believe that the jealousy and suspicion will pass away, and that the experiment will succeed. Why? It is based upon deeper and more permanent convictions and sentiments. Whatever our faults may be, they are not ours alone. If we possess any virtues, they are those of the stock from which we have sprung. If there be any people to whom we can look for sympathy—if there be any race with whom we can join in union—surely it is our own kith and kin across the sea. We are proud of the traditions which we have inherited from that race, whose blood flows in our veins. That the Commonwealth is what it is, that Canada is what she is, that the American States are what they are, and that the Empire is what it is, we owe entirely to the constitutional capacity and dauntless energy of the British race. If the members of our own race are unable to come to an understanding with each other in politics and in trade, we may separate ourselves by a wall, and admit that it is not possible for us to look for any sympathy in aims or reciprocity in trade relations to any other nation. I devoutly believe that the people who have already accomplished so much in the world that their history is as noble and inspiring as are those of Greece and of Rome, will encourage us to take our share with them in building up a Federal Empire. We shall, I fervently hope, cherish a common spirit

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of unity and action, standing shoulder to shoulder against the world's forces which confront us, evolving out of the constitutional Government which we enjoy its largest, noblest development, a self-governing Empire, whose ideals must be viewed not in momentary flashes, or judged by hours or years, but be seen in the light of centuries.

Motion (by Mr. REID) proposed—

That the debate be now adjourned.

Mr. WATSON (Bland).—In seconding the motion, I should like to have some idea when the Prime Minister proposes to resume the discussion upon this question. It seems to me highly desirable that we should be afforded some information upon that point.

Mr. SPEAKER.—That question can be discussed upon the motion for fixing the date for the resumption of the adjourned debate.

Mr. WATSON.—I should like to get some idea when the debate is to be resumed, because I think that it should be concluded this session.

Mr. REID (East Sydney—Minister of External Affairs).—There are two matters as to which I should like to give the fullest latitude——

Sir WILLIAM LYNE.—I rise to a point of order. I should like to know whether the Prime Minister's remarks will close the discussion upon this motion?

Mr. SPEAKER.—Oh, yes.

Sir WILLIAM LYNE.—I raised the point of order as soon as I possibly could. I was not aware that the Prime Minister intended to reply.

Mr. SPEAKER.—Will the honorable member kindly take his seat? The question before the Chair is the motion for the adjournment of the debate. The Prime Minister moved that motion, and the leader of the Opposition made some remarks upon it. When nobody else rose to speak I called upon the Prime Minister, who has begun his speech. I cannot ask him to break his speech into two portions, and to allow further debate to intervene.

Sir WILLIAM LYNE.—I submit that the honorable member for Bland merely asked a question. I think that the ruling is very unfair.

Mr. SPEAKER.—The honorable member for Hume has no right to say that any ruling is unfair, and in answer to his remark that the honorable member for Bland merely asked a question, I would remind him that this is not question time. The inquiry put by the leader of the Opposition must have formed part of the debate, otherwise it could not have been made.

Mr. REID.—I am very anxious to afford honorable members another opportunity of discussing this motion, but I am pledged to the honorable member for Eden-Monaro in regard to the Manufactures Encouragement Bill, and I am sure that the honorable and learned member for Ballarat does not desire me to bring those two matters into collision. I think that both honorable members will trust me to make an arrangement which will be commensurate with the importance of both questions. My object in asking the House to deal with the Appropriation Bill to-day is that it is really time that it was forwarded to another place.

Question resolved in the affirmative.

Mr. REID.—I move—

That the resumption of the debate be made an order of the day for to-morrow.

With the concurrence of the House, I should like, for the purpose of convenience, to include this motion amongst the items of Government business which appear upon the notice-paper.

An HONORABLE MEMBER.—Is the Government adopting it?

Mr. REID.—Oh, no. Nevertheless, I cannot very well devote Government time to its consideration if it be placed on the list of private members' business. It will occupy precisely the same position as does the Manufactures Encouragement Bill.

Sir WILLIAM LYNE (Hume).—When I was precluded from speaking just now I desired to discuss the motion for the adjournment of the debate. If the question of Preferential Trade is to be pressed to a division this session, it seems to me that the debate should be proceeded with at once. Things, however, are so "mixed" that I defy anybody to say, from the statement of the Prime Minister, what business is likely to be done, and when I wish to ask the Prime Minister whether an arrangement has been made as to when the Manufactures Encouragement Bill is to be dealt with?

Mr. SPEAKER.—That question is not before the Chair.

Sir WILLIAM LYNE.—But I understand that its consideration will be interfered with by the discussion of the motion relating to Preferential Trade. The Prime Minister has proposed that the latter question shall be dealt with to-morrow.

Mr. REID.—Not necessarily. I merely wish to place it upon the business-paper for to-morrow.

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Sir WILLIAM LYNE.—How is it possible to conclude the consideration of the Manufactures Encouragement Bill, and of the motion relating to Preferential Trade, if they are to be considered upon alternate days? I fail to see how it is possible, in the few remaining days of the session, to deal with the three other measures to which the Prime Minister has referred.

Mr. SPEAKER.—Order! The honorable member must not debate matters other than that which is under consideration. He must not debate the Manufactures Encouragement Bill. The only point before the Chair at the present time is whether this Bill shall be set down for to-morrow or for some other date.

Sir WILLIAM LYNE.—I think, sir, that you misunderstood what I was saying. I was not debating the Manufactures Encouragement Bill. I was merely remarking that by fixing a certain date for the consideration of the motion relating to Preferential Trade, we shall be interfering with other business which remains to be dealt with. I think we should have some clear understanding as to whether the Prime Minister intends to press the motion of the honorable and learned member for Ballarat to a conclusion before the session closes.

Question resolved in the affirmative.

APPROPRIATION BILL.

SECOND READING.

Motion (by Mr. REID) proposed—

That the Bill be now read a second time.

Mr. FISHER (Wide Bay).—I am sure that we all deeply regret the cause of the absence of the Treasurer, and must realize the difficulty which we have in dealing with this measure in his absence. The difficulty is accentuated in my case, because I propose to make a few observations regarding the attitude of the Government on a very important question, which must occupy the attention of the Parliament at an early date, and upon which certain views have been expressed by the right honorable gentleman. Earlier in the session I drew the attention of this Government, as I had drawn the attention of previous Administrations, to the question of policy involved in the re-enactment of our legislation relating to the sugar bounty.

Mr. SPEAKER.—Unless there is an item in the Appropriation Bill dealing with the sugar bounty, it cannot be discussed.

Mr. FISHER.—Shall I not be in order in discussing the policy of the Government in this respect on the motion for the second reading of this measure? It has been the common practice in the Parliaments with which I am acquainted to raise any question of policy on such a motion.

Mr. SPEAKER.—I shall read the passage from *May*, which will give the honorable member the information which he asks. Dealing with Appropriation Acts, *May* sets forth, at page 561, that—

The latitude permissible in debate and amendment on going into the Committee of Supply (see p. 572) does not extend to the stages of the Appropriation Bill. Debate and amendment on these occasions must be relevant to the Bill.

At page 562 I find these words—

The principle of relevancy is also strictly applied to debate and amendments in the Committee on the Appropriation Bill. No grant of supply is effected by the Bill; its provisions are solely administrative; the sole object of the Bill is to insure the application of the grants made by Parliament to the objects defined by the resolutions of the Committee of Supply. Accordingly, debate or amendment must be restricted to the matter of appropriation; and the conduct of the officials or of the Departments who receive the supply grants cannot be challenged in the Committee on the Bill; nor can amendments be moved to its clauses, or to the schedule, to effect the reduction of the amount, or an alteration in the destination of a grant. Nor are the enacting words of the Bill open to amendment.

The practice laid down in *May*, and the practice of the British Parliament is distinctly to the effect that the only matters which may be discussed in dealing with an Appropriation Bill are those to which it specifically relates. If there be any vote relating to sugar bounties, or any vote for the payment of an officer engaged in the industry, it will be competent for the honorable member to deal with this question, but it is not competent for him to discuss a general matter of policy concerning anything which is not strictly provided for by the Bill itself. The Clerk has just handed me a copy of an appropriation made in this Bill, which shows that provision is made for the payment of certain salaries to inspectors in the sugar industry. If the honorable member can—and I am not quite sure that he cannot—get in all that he desires to say by confining his remarks to anything relating to these officers, he will be in order.

Mr. FISHER.—I should like to have a definite ruling on this point. If the practice of the House of Commons, by which we are bound, is that a Government cannot

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be challenged on a motion for the second reading of an Appropriation Bill, in reference to matters of general policy, the sooner honorable members become seized of that fact the better. It is a very serious invasion of what we have generally considered to be the principles of constitutional government.

Mr. SPEAKER.—I desire to give a ruling strictly in accordance with the practice of such Parliaments as our own, and I have no option save to give a ruling in the terms I have quoted from *May*, as applying to the present position:—

The latitude permissible in debate and amendment on going into the Committee of Supply does not extend to the stages of the Appropriation Bill. Debate and amendment on these occasions must be relevant to the Bill, and must be confined to the conduct or action of those who receive or administer the grants specified in the Bill.

Mr. FISHER.—The Crown receives.

Mr. SPEAKER.—I cannot accept that interpretation. If the salaries of the Ministers were provided for by the Appropriation Bill their conduct would be open to debate on this motion. I have no option but to rule that the debate must be confined on this occasion to matters connected with the specific votes and grants in the Bill. It is a well-recognised rule, both in this and other Parliaments, that on going into Committee of Supply—and in certain cases in Committee of Supply—the widest latitude shall be allowed to honorable members in discussing, not only grievances, but questions of policy. In view of the fact that certain votes which I have mentioned appear in the Bill, I think that the honorable member will be able to put before the House the greater part of that which he desires to say in relation to the sugar industry.

Mr. FISHER.—The question relates to both white and black grown sugar, but is of special importance to those who grow sugar by means of white labour. I wish to draw the attention of the Prime Minister, the Minister of Trade and Customs, and the Treasurer, as briefly as possible, to the facts as I understand them. It will be remembered that the operation of the measures relating to the sugar bounty and excise was limited to a certain period, for reasons which I need not recapitulate, and I think it will be admitted that this legislation has proved entirely satisfactory to those who advocate it, while it has not been responsible for any suffering on the part of the people of Australia who are not engaged in the industry. The point I desire to emphasize is, that it will cease to operate at the end of 1906, and that as the Government do not intend to open the next session of the Parliament until some six months hence, they will not be able then to give anything like reasonable notice of their intentions to the white growers who are planting in the expectation that the bounty will be continued. I believe it is the desire of a large majority of the members of both Houses that the bounty should continue, and that being so, it would be highly advantageous to all concerned if a public intimation were given by the Prime Minister, before the session closes, that it is the intention of the Government to continue the present system.

Mr. HENRY WILLIS.—We said that once the bounty were granted, its advocates would desire it to be continued.

Mr. FISHER.—I held from the very first that no limitation should be placed upon the operation of this legislation. The limitation was imposed, because the present Prime Minister was prepared to honour the arrangement during the period named, and some honorable members who were very anxious to secure the passing of the measure agreed against my advice to accept it. I would remind the honorable member for Robertson that the law relating, not only to sugar bounties, but to the sugar excise, will cease at the end of 1906, and that if it be not renewed, we shall suffer a serious loss of revenue. As a matter of fact, the Treasurer estimates to receive this year £448,000 by way of the Excise duty on sugar, and to return by way of bounty to the growers of white sugar, £100,000. That leaves a credit balance of £348,000. It has been pointed out that there is no other industry in respect of which an Excise duty has been imposed.

Mr. GLYNN.—Is the honorable member taking the rebate into account? He has only mentioned the bounty.

Mr. FISHER.—"Bounty" was substituted for the word "rebate," because it was felt that no clear definition of the last-named word could be given. The two matters are covered by the one term.

Mr. GLYNN.—But it makes a difference in the figures.

Mr. FISHER.—I am speaking from memory, but I am satisfied that the figures I have just quoted are correct. The credit balance of £348,000 will be entirely lost if this legislation is allowed to lapse.

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The argument which was used against the payment of the bounty—that it would result in great loss to the States—cannot be substantiated in view of these returns. I am sure that no Government or Parliament would be prepared at this stage to lose revenue amounting to £348,000 for the sake of making a saving of £100,000 by putting an end to the bounty system. It has been contended that great loss of revenue has resulted from the operation of the bounty, and that if we were not to produce our own sugar, we should obtain a larger revenue by way of the duty on the imported article. The same argument might be applied to the imposition of the grain duties. Honorable members from New South Wales certainly used arguments against the imposition of those duties that were very effective. They said that they did not desire them, and that they should be removed in order to help the producer. But the revenue derived the year before last from the grain duties amounted to over £500,000, and last year to about £250,000. If their arguments are sound, as against the over-production of sugar, they are equally sound as against the over-production of grain, which has deprived the Commonwealth of the revenue which it would have obtained if more grain had been imported. No honorable member, however, is insensible to the absurdity of protesting against the increase in the production of grain because of the loss of revenue which it has caused. It is, however, equally absurd to apply that argument to the production of sugar. I ask the head of the Government to give us, before the end of the session if possible, an indication of his ideas on this subject. I hope that they will accord with those expressed by the Treasurer, who, in introducing his Budget, said:—

Honorable members will recollect that the sugar excise and sugar bonus will expire on the 1st January, 1907, and shortly it will be the duty of the Parliament to take into consideration what course should be pursued with regard to the excise, and with regard to the rebates.

Mr. FISHER.—This session?

Sir GEORGE TURNER.—I do not know that it will be possible to deal with the matter this session. It is one which requires very careful and full inquiry, but so far as I am personally concerned, I sympathize altogether with the position, especially of Queensland, in this connexion, and I may say I am prepared to do whatever is possible to assist the sugar industry, to keep it alive, and to enable growers of sugar to work in such a way that they will be able to do without black labour, without suffering any real hardship or loss.

In respect to your ruling, Mr. Speaker, I do not wish to go into the general question. The fact is, the bounty system has worked exceptionally well. It has received commendation from every officer of the Commonwealth who has been asked to report upon it, and has given the fullest satisfaction. The measure passed by this Parliament to provide for the substitution of white for black labour is proving efficient; and, recognising the vast importance of the sugar industry to Queensland and to New South Wales—and to Victoria, too, if she desires to engage in the growing of beet—it would be a great pity if any injury were done to it for the want of a timely intimation that it is the intention of those in authority to continue the bounties.

Mr. McDONALD (Kennedy).—When the Estimates were under discussion, there was a long debate on the proposal to vote £6,000 for a mail service to the New Hebrides, and to other islands; but, although some time has elapsed since then, no intimation has yet been laid on the table concerning the agreement which has been entered into by the Government in regard to the matter, or their action upon it. A year or two ago we voted an additional £2,000 to improve the service to the New Hebrides, and this year we were asked for another £6,000. In all, we are paying one company £12,000 for carrying on mail services with the New Hebrides and other groups in the Pacific. The first objection I have to the item which I have singled out is that as it comes under the heading of what is known as "new" expenditure, the money is found by the States in proportion to population. But while each of the States is asked to contribute, nearly the whole of the trade goes to Sydney. That trade is worth about £28,000 per annum—though I have not got exact information with me, because I did not know that this measure would be brought on so early—and nearly the whole of it is carried by the steamers of the company to which we grant these subsidies. If that company were purely a shipping concern trading between Australia and the Islands, and were the lowest tenderers for the contract, not much exception could be taken to the arrangement. But the fact is that they also carry on the business of retail and wholesale merchants, having stores in the different groups, and are practically able to levy blackmail on every competitor. If,

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for example, another company carrying on business in the Islands desires some particular commodity for the purposes of its business, it often finds that it is under-shipped, or over-carried, or that Burns, Philp, and Company had too much cargo of their own to find room for their competitors' consignments, with the result that they have practically a monopoly of the trade of the Islands. I would like to point out that there is another firm which sends its steamers from Cooktown to Woodlark Island, Samarai, and Port Moresby—the principal ports to be touched at by the New Guinea service—and is prepared to do for £900 or £1,000 that for which we are at present paying Burns, Philp, and Company £2,000. This firm is also ready to put on better boats, and to give an improved service. That is a matter which demands attention, and in regard to which we should have more information. As a matter of fact, the Commonwealth is really being asked to recoup Burns, Philp, and Company the charges levied upon them for the right to trade in the Marshall Islands, which are altogether beyond the sphere of British influence. In this action the Germans are giving Burns, Philp, and Company a taste of their own medicine, and the latter do not like it. The company complain that the Germans get hold of their time-table, and send boats on ahead to buy up all the available cargo, so that when Burns, Philp, and Company's boats come along, there is practically nothing for them. If that is done, it is purely a matter for their business manager. I doubt very much if the Germans are smarter business men than the managers of Burns, Philp, and Company, but if they are, the latter will have to improve their business methods. The Commonwealth, however, should not be asked to pay £6,000 to make up their losses. There are several places at which their boats will call where practically the only people are officials and storemen in the employ of the company, I think that it is bad policy on our part, and that it is unfair so far as the traders are concerned. I should like to know why, if the proposed service is to be conducted solely for the purpose of carrying mails, Sydney should be made the terminal port. I do not object to Sydney having its fair share of any advantage that may be derived from direct communication with the islands; but, if the mails are to be expedited to the fullest possible extent, Brisbane should be selected as the first and last port of call in Australia, because it is nearest to the New Hebrides.

Mr. CROUCH.—The Prime Minister has promised to consider that.

Mr. JOSEPH COOK.—It is a fine thing for the representatives of a State which is collaring the sugar bonus to demand a tight bargain in connexion with this mail service.

Mr. McDONALD.—I contend that if the line of steamers is to be subsidized solely for the purpose of securing a good mail service, Brisbane should be the principal port of call in Australia. I do not see any reason why the steamers should be required to call at all sorts of outside places, beyond the sphere of British influence, merely to suit the convenience of Messrs. Burns, Philp, and Company. We have little or no information before us concerning the proposed service, and I have the strongest objection to a proposal which appears to me to contemplate nothing more nor less than the granting of a substantial subsidy to a large shipping and trading company. We are now dealing with the Appropriation Bill, and when that is out of the road I presume that little else will be dealt with this session. There are, however, one or two important items on the business-paper, and I think it is due to the House that the Prime Minister should say which of them he proposes shall be dealt with before the session is closed.

Mr. MAHON (Coolgardie).—I think before the session terminates, the Government, which lives by the aid of such a microscopic majority, should inform the House what steps it proposes to take to fill certain important positions in the Public Service which are either vacant, or will shortly become vacant. The position of Deputy-Postmaster-General in Sydney, which carries a salary of £920, will have to be filled, and similar positions in Perth and Adelaide will shortly become vacant. I think that the Government owes to the House the duty, at least, of announcing what its intentions are with regard to these appointments.

Mr. JOSEPH COOK.—What about the Public Service Commissioner?

Mr. MAHON.—According to the late Attorney-General, these appointments, and the amount of salaries attached to them, do not rest with the Public Service Commissioner.

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Mr. Reid.—It is rather novel to suggest that the Government should make an announcement with regard to such appointments.

Mr. MAHON.—I do not suggest that the Government should consult the House, but I think that they ought to give honorable members some assurance that the usual course will be taken in filling these important offices, so that any suspicion of the operation of improper influence shall be removed. I regret very much that the House did not insist upon reducing the salaries of some of these officials. Just imagine a salary of £920 being paid to the Deputy Postmaster-General in Sydney. His responsibilities have been immensely reduced.

Mr. Joseph Cook.—No.

Mr. MAHON.—I say "yes." The Deputy Postmaster-General in Sydney now has really very little responsibility, and the same remarks apply to officers holding similar positions in all of the States. Why should the salaries paid to these officers approach within £80 of that given to the administrative head of the Department, who conducts the affairs of six States and is responsible for the whole policy of the Department? I have nothing to say with regard to the officer, who will probably be appointed to the position in Sydney. He is a very able and worthy man. But the Government, whilst fully aware of the necessity for economy, have deliberately adhered to the old salaries that were payable before Federation, and have paid no regard to the change in the character of the duties which the officers are called upon to discharge. I think that the neglect of the Government in this respect should be published abroad, for the illumination of people who follow the lead of Kyabram. The honorable member for Echuca and other representatives of Victoria, who are apparently quite satisfied to allow this extravagance to pass without comment or objection, were crying out for economy some time ago, and were especially strong in their resistance to any increase in the allowance to honorable members. Their desire for economy was a very worthy one, but they apparently do not feel disposed to countenance any scheme of economy which touches influential persons in the Public Service. The salaries of our officials should be apportioned in such a way that they are fairly in keeping with the services rendered, and I hope that the House will insist upon these salaries being reviewed. The Government cannot shift the responsibility upon the Public Service Commissioner, because the late Attorney-General has expressed the clear opinion that the Ministers, and not the Public Service Commissioner, must grade these officers and fix their salaries. The Government cannot deceive the country by putting forward any specious pretext of the kind I have indicated. They have professed to be actuated by a desire for economy, and yet they are maintaining the salaries of the high officials in the Post and Telegraph and Customs Departments at the same rates that were paid before Federation. I contend that that is not fair. A good opportunity is now afforded to the Government for adopting a new principle in regard to the payment of the Deputy Postmasters-General, because, as I have stated, there are, or shortly will be, three vacancies, and the salaries might be reduced without inflicting injustice on any one.

Sir John Forrest.—Does the honorable member consider that the salaries are too high?

Mr. MAHON.—I think it is anomalous that a Deputy Postmaster-General should receive £920 per annum, while the official head of the Department, who has to conduct the affairs of six States, is paid only £80 more.

Sir John Forrest.—But the Deputy Postmaster-General and the Secretary to the Postal Department have not the same kind of work to do.

Mr. MAHON. — The right honorable gentleman will admit that the work of the Secretary to the Department is immensely more important, and calls for the exercise of higher capacity than that required in a subordinate administering the affairs of one State.

Sir John Forrest.—I think the Deputy Postmasters are poorly paid, considering the amount of work they do.

Mr. MAHON.—That is a matter of opinion.

Sir John Forrest.—Look at the thousands of officers they have to control.

Mr. MAHON.—But the right honorable gentleman must recollect that these officers have been relieved of great responsibility, because the policy of the Department is no longer a matter of concern to them. They are not called upon to advise the Postmaster-General in the same way as in the past. Considering the opportunity now at hand to revise these salaries without

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hardship to anybody, I think the Government deserves censure for its refusal to recognise the new position. I am glad that the right honorable member for Swan is present, because I intend to justify, from official documents, the charges made by my colleagues and myself concerning the past mismanagement of the Postal Department in Western Australia. The right honorable gentleman has repeatedly challenged the correctness of these statements, and I think it is only right that the public should be placed in possession of the facts, and that we should no longer lie under the aspersion of having brought forward unfounded charges.

Sir JOHN FORREST.—What charges did the honorable member make? I do not remember what they were.

Mr. MAHON. — The right honorable gentleman's memory is not so treacherous as his question suggests. The charges which are preferred in the official papers are of a much more serious character than those which have been mentioned in this House. We had not the opportunities which independent officials were able to avail themselves of when they examined the affairs of the Department. During the last eighteen months Mr. Gregory, the Accountant of the General Post Office in Sydney, and one of the ablest men in the service, visited Perth, and made a thorough inquiry into the management of the Department.

Sir JOHN FORREST.—Was any money lost there?

Mr. MAHON.—I shall deal with that matter presently. I intend to put before honorable members a summary of an official report which has been furnished to the Government—

> Mr. Gregory in his report on the above subject dated 17th October, 1903, stated that so far as the Head Office, Perth, was concerned, the loose and unbusinesslike method which prevailed merited the severest condemnation. The open manner in which the regulations were flouted, the entire absence of any check upon important sections of the revenue, together with the fact that the accountant was not in a position to discharge one of his most important functions, namely :—the guardianship of the revenue, could lead to only one end, the encouragement of dishonesty and the loss of revenue.

Mr. JOHNSON.—Did not all these items appear upon the Estimates for Western Australia?

Mr. MAHON.—The honorable member is talking of something which is as foreign to my purpose as is right from wrong. I hope that he will confine his interruptions to subjects of which he has some knowledge.

Mr. McCOLL.—He merely asked a question.

Mr. MAHON.—But his question has no relevancy whatever to the matters which I am discussing. The report proceeds—

> In Perth it was found that the accountant was the custodian of stamps, and the manager of the Money Order Office was also the distributor of stamps. This allocation of duties was rather anomalous, and should be amended forthwith, as there was no more justification for the accountant being the custodian of stamps, than there was for his handling cash. It was difficult to understand how that officer could constitute himself the departmental auditor, when he himself was charged with the responsibility of the custody of stamps, and, as was also found, the handling of moneys.

Sir JOHN FORREST.—He was a very good man, and he killed himself by absolute hard work.

Mr. MAHON.—I wish that the right honorable member would suspend his judgment until he hears what independent officers of the Government—highly competent men—have to say upon this matter.

Sir JOHN FORREST.—Do not cast any aspersions upon an honorable man, who died in harness in the service.

Mr. MAHON.—I should be very sorry to cast aspersions upon any man, unnecessarily.

Sir JOHN FORREST.—All that the honorable member can do is to prove something against a man who is dead, and who was as good a man as ever lived.

Mr. MAHON.—Not at all; I propose to prove something against a live man. The report continues—

> The amalgamation of the offices of distributor and manager of the Money Order Branch was also undesirable, for the latter had the control of a large trust account, and it did not appear to be a safe policy for that account to be in any way mixed up with the distribution of stamps.
>
> Prior to the transfer of the Department to the Commonwealth, stamps were obtained through the Treasurer from London, and when received were stored for the Department by the colonial storekeeper. At the time of Mr. Gregory's visit, there was a balance of £216,337 in the hands of the "storekeeper," and notwithstanding that the balance in question included 4d. stamps of the total value of £6,000, the Deputy Postmaster-General had requisitioned on Melbourne for supplies of that denomination of a total value of £8,000 since the 1st January, 1903.
>
> Stamps were obtained from the local storekeeper and from Melbourne and Sydney on requisitions signed by the Deputy Postmaster-General, and, when received, were housed in a large cabinet located in a strong room. The

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ster-General had the custody of abinet, and the accountant the room.

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tory check ve to es- om in- r. upplies ore execu- y Postmaster- oval handed the istributor, who took latter officer then made key was returned to the

system of distribution, there would ssity whatever for the Deputy Post- General to appear in the transaction, and was difficult to understand what advantage was gained by that officer holding the key of the cabinet, seeing that he deliberately handed it over to the very officer it was intended he should be a check upon, viz., the accountant.

The distributor, upon the receipt of the stamps, debited himself with the value of the same in his stock book.

The system consequently necessitated an unnecessary duplication of work, without even providing ordinary safeguards.

Two sets of stock books, viz., the accountant's and the distributer's, were totally unnecessary.

Fixed advances of stamps were made to postmasters, and the distributer kept the register of such advances. The accountant was not in a position to say what were the advances held by postmasters, or the total amount due on stamp account. He exercised no check whatever on those balances. Officially, they did not come under his review.

Postmasters remitted cash to the receiver for reimbursements of their stamp advances, and the receiver having indorsed the amount received on the requisition, passed it on to the distributer for execution. Three (3) lists of issues were prepared by the distributer, one for stamps, one for cards, and another for wrappers and envelopes. These lists were forwarded to the receiver, who checked them with the entries in his cash book, and after initialing them, forwarded them to the accountant for posting purposes. As these applications for reimbursements were purely cash transactions, all this work was entirely unnecessary.

Postal notes were obtained from the Government Printer, Melbourne, in the same manner as stamps, but, although the accountant debited himself with the total value of the supplies, they were immediately handed over to the distributer. It was not easy to understand why the postal notes were differentiated from stamps so far as their custody was concerned, and it was still more incomprehensible why the accountant should keep a stock book for stock not in his possession. This performance of unnecessary work to the neglect of essentials was characteristic of the administration of the financial division of this branch of the Postmaster-General's Department in the Commonwealth.

Whilst fixed advances of stamps were made to postmasters, they were allowed to requisition for postal notes according to their requirements, without the cash equivalent accompanying the requisition, hence the balance was always varying. The accountant was entirely ignorant of postmasters' liability, either individually or collectively, on postal note advance account.

It was found that the duties which should devolve upon the accountant were discharged by various officers, not one of whom appeared to have any official relationship to the other. This divided control militated against effective administration, and unnecessarily duplicated work. The record of accounts was kept in various branches. The accountant was entirely ignorant of the amounts due on the accounts issued from those branches.

The telephone accounts for Perth and South Perth only were kept by the accountant, those for country exchanges were kept by postmasters, and the accountant exercised no check over the latter accounts, and in the case of the former, he had never satisfied himself that he had a complete register of the subscribers. The register for rents was designed to embrace one year's accounts only, hence fresh registers had to be written up annually.

All salaries, allowances, and amounts for conveyance of mails were paid monthly. A special salary abstract was prepared for each branch and office, and these were entered in the departmental register, also in the salary register in detail, and again in the appropriation ledger, allowances being similarly dealt with. Mail contractors' vouchers were entered in detail in conveyance of inland mail book, the total of each voucher in the departmental register, and also in appropriation ledger. Contingency vouchers were transferred from the departmental register to a book called the Contingencies Abstract, in which they were posted alphabetically and in detail. The monthly postings of contingencies alone in the appropriation ledger occupied forty-six pages, each containing thirty-six lines. As all of these particulars had to be again furnished on form 18, and also on form 29, an immense amount of work was necessitated by the unnecessary multiplication of the number of vouchers.

The paying officer was located in the account branch, which, from an audit point of view, was not satisfactory, especially as in this case the paying officer, having no safe, was compelled to lodge his cash in one used by the accountant, the key of which safe was in the exclusive custody of the latter officer. Contingent payments, up to the date of Mr. Gregory's visit, were made by the accountant, which was a highly irregular practice. An immense amount of labour was entailed in copying the whole of the salary sheets by hand into a book.

The receiver should be the only officer at the Head Office authorized to receive official moneys other than those received from the public for stamps, postal notes, and similar services. The need of the concentration of payments was very observable. He should also issue a receipt in accordance with Regulation 29, "Public

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Moneys, 1902," for all payments other than stamps. The irregular system of issuing manuscript receipts was in operation.

The Check Branch (inspector's office) was an anomaly, as it was practically performing work which rightly appertained to the Account Branch. There was no justification for its separate existence.

The Check Telegraph Branch was under the control of the Manager of Telegraphs. As previously pointed out in reports on other States, this branch should be under the control of the accountant. There were 168 stations and about 1¼ millions messages dealt with per annum. The check in operation was not continuous, about four days per month being done. Daily statements were forwarded to the check clerk, accompanied by the supporting messages. These messages are checked with statement, and also as to the value of stamps affixed. The check clerk also kept a record of business transacted at each station, both transmitted and received for statistical purposes. He also checked bureau statements of calls with remittance slip received from the cashier, and also the statements furnished by the fitter-in-charge at country exchanges, and those sent in by postmasters. The checking of the bureau calls should be transferred to the officer in charge of telephone accounts.

The counter clerk handed over all cable cash to the chief telegraph clerk, who paid it to the receiver, which was an unnecessary duplication of work, as the money should be paid direct to the receiver. No ledger accounts were kept against postmasters by the accountant for amounts due on cable account, and it was left entirely to the cable clerk to say whether a postmaster's cable accounts were adjusted. Postmasters forwarded statements with their remittances, giving the details of each message. These statements after being initialed by the receiver, were forwarded to the cable clerk, who ticked the entries of messages in red ink to indicate that the cash for same had been received. The fact that an item was ticked off in red ink was accepted as final evidence of its having been paid.

The Dead Letter Office was under the control of the Chief Inspector. Records of valuables and moneys were kept in suitably designed books, and although ruled so as to provide for the checking officer's initials, and the accountant's receipt, they had never been checked by the accountant, nor had he ever seen the books. Valuables found in unclaimed packets, &c., had never to the knowledge of the Dead Letter clerk been sold.

The Store and Stationery Branches were two distinct branches, under separate control, and this led both to delay in the execution of orders, as well as to the multiplication of work. Requisitions had frequently to be divided, and the stationery portion thereof recopied and forwarded from the Store to the Stationery Branch for execution.

The Chief Inspector acted as certifying officer in nearly all cases, even when the Deputy Postmaster-General was present.

It was observed that large balances were frequently held on the premises by postmasters in anticipation of payments, instead of the postmasters being authorized to open public accounts at the local banks, and to lodge those balances at the close of the day's business.

He is not the only competent man who has examined into the methods pursued by the Department in Perth. Another officer, the chief clerk in the Audit Office, Mr. Percy Whitton, in a report dated 22nd September, 1903, upon the accounts of the General Post Office, Perth, deals with the subject.

In his audit report, dated 22nd July, 1903, on the accounts of the General Post Office, Perth, Mr. Whitton stated that during the period from 1st January, 1903, to 18th March, 1903, only seventeen official receipts were issued, and for the balance of the amounts receipts were given at the foot of statements and accounts, or on any piece of paper that happened to be handy.

In connexion with remittances received from country offices, &c., it was not the business of any one to see that the statements supplied to the accountant and those to the check branch agreed, nor could it be ascertained that it was any person's business to see that remittances were promptly made or promptly brought to account. Serious delays in bringing amounts to account were discovered, and in every instance investigated the neglect was traced to the remitting officer. In places, within an hour of the chief office, it was no unusual thing for two or three days to elapse between the day the return was made up and the date the money reached the cashier. The statements themselves contained much useless information, and could be considerably improved.

The cashier's cash book bore no evidence of having been examined at any time, and had not been examined. All the Perth collections were entered therein in totals, the details being set out on loose returns, afterwards being copied into books all over the Department, thus creating a large amount of useless work. The work of thoroughly checking these receipts occupied several weeks in place of a day and a half, as it should have done under a proper system.

The telephone accounts were in a most unsatisfactory condition, and there had been absolutely no check upon them. The Perth Audit Office had *ticked* off in the ledger any amounts found in the cash accounts, but that was the sum total of the check. In order to make a thorough examination of the accounts and the trunk line fees, he (Mr. Whitton) had to work from the switch boards, and had further to go to each of the suburban offices before he could arrive at anything like a satisfactory conclusion as to the position of affairs. He found the data supplied to him by the head office unreliable, and, in many instances, absolutely worthless. An annual short charge of £455 was shown, and a removal charge of 40s., while there was a further sum of £10 5s. due for one line, no account for which had been rendered for two years, although still in use. Excepting as regards new connexions, no attempt has been made to comply with the regulation dealing with annual rental charges for extra apparatus. Under this heading there were serious undercharges (in one case alone nearly £50 per annum), and there would be many small overcharges. In this particular, he (Mr. Whitton) found the records of no value, and was unable, therefore, to certify what the annual loss was. The only way was to make a house to house visitation, in order to ascertain what people really had. No attention had been paid to the amendment of

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the regulation, relating to insertion of extra names in the telephone list, and the cost of printing the extra matter in the list issued in March, 1903, was £15 7s. 3d. The accounts of the suburban and country telephones were kept at the local offices, and there was no check whatsoever upon them, and, so far as the suburban ones were concerned, it was impossible to satisfactorily work them in that way. At Fremantle he found the Postmaster had on hand several cheques, amounting to £57, on account of deposits for new connexions, for which he had not given any receipts. The books relating to private boxes, bags, &c., were kept, and the accounts rendered by the officer in charge, and no record of keys was kept. No proper audit of these accounts had been made in the past. The remarks made regarding the Perth receipts being entered on loose sheets, and in totals only in the receiver's cash book applied also to these and all other Perth collections.

The Dead Letter Office was placed under the Chief Inspector, whose duty it was also to examine it; which appeared to be an anomaly.

In the case of bulk postage, the dockets, in place of being sent to the accountant, as directed by regulation, were sent to the manager of the Money Order Branch, who was also Distributor of Stamps.

Postal Notes.—The transactions in connexion with this portion of the work were checked day by day by the Perth Audit Office. A fair amount of book-keeping might be dispensed with if fixed advances were given, as done in Victoria and other States. During the period I examined, the receipts were not paid into the Money Order account at the bank, but this has been remedied.

Money Order Account.—Although a certain portion of this account was checked thoroughly day by day by the Audit Office, no examination of the cash book or banking account had ever been made, neither had the bank balance been verified; further, there was no check on the remittances to and from the State. The accountant kept the cash book, and dealt with all remittances outwards, while the manager simply kept a day book. All moneys received at the Mornington and Yarloop offices were daily paid over to the manager, Millar's Karri and Jarrah Forests Company Limited, who gave the Postmaster an order for the amount on the Perth office of the company, which order was forwarded to the cashier, who obtained from the company a cheque for the amount.

Stores Branch.—The books had never been added up or balanced; although the stock was carefully counted every six months, and a record of the count made in the ledger, no attempt had been made to compare it with the ledger entries, and in most of the many tests made, it did not agree.

The cable account was not in a satisfactory condition. It was opened as a suspense account in February, 1902, although all moneys up to the end of January of that year had been paid out of revenue, the outstanding amounts for that month were, without any consideration, paid into the Suspense account, thus creating a surplus of about £500, but this surplus did not agree with the amount traced at 30th June, 1903. The accountant kept a ledger account of the transactions, but it never seemed to have occurred to any one that it was necessary to prove the balance. The chief clerk of the branch also kept a cash book in addition to other records, but a true idea of their value was shown by the fact that about eighteen (18) months before he made an error of £180 in bringing forward a total, and although *a balance* was struck every month since, this error was not discovered.

There is a salient fact. An error of £180 was made in bringing forward a total, and, although a balance was struck month after month, it was not discovered. The report continues—

As an illustration of the manner in which the work of the Department was transacted, Mr. Whitton mentioned that prior to his visit all moneys received by the telegraph clerks, whose office was on the ground floor, were taken by them to an officer on the second floor; he then took it personally to the cashier, whose office was in the basement.

That is an interesting commentary on the system which prevails. The cash was taken by an officer on the lower floor to an officer on the top floor, and it was then returned by that officer to the basement.

Mr. King O'Malley.—Where was the burglar?

Mr. MAHON.—I am coming to him—

In the Telegraph Check Branch a fair amount of work, foreign to the branch, was done in connexion with telephones. Some of it should have been done by the Telephone Branch, and the rest by the Accountant's Branch proper.

Paying Office.—It was found that a great amount of the paying was being done by the Accountant, who is authorizing officer; and other officers, and on Mr. Whitton pointing out that this was improper, the practice was discontinued.

The Check Branch as a separate branch could be safely done away with; and much of the work done by the officers could be saved, if the greater portion of them were transferred to the Money Order Branch, and one to the Accountant's Branch, as the checking that had been done by them could be better accomplished in the branches referred to without the keeping of unnecessary duplicate records.

The Accountant's Branch.—Much unnecessary work was being done in the Accountant's Branch, such as keeping money order cash book, accounts current, &c., telephone cash book (written up from the loose sheets supplied by the cashier), &c. One thing noticed particularly was the number of hand-ruled books in use throughout the Department. A large amount of time must have been take up daily ruling these books.

This is the report of the principal officer in the Audit Department of the Commonwealth—

The unsatisfactory condition of the Department was self-evident. Great allowance should be made for the unusual surroundings, but there was one point though which could not be so readily overlooked, and that was the persistent and deliberate disregard of regulations, and the instructions issued by head office in regard to which drastic action was necessary.

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The following is a copy of a further memorandum by Mr. Whitton:—

During my examination of the paying officers' account at the post offices, Perth, I noticed that all the vouchers submitted to me were certified by "R. Hardman" (the Chief Inspector). When I asked for an explanation, I was informed that he was authorized to sign in the absence of the Deputy Postmaster-General, and that advantage had been taken of that authority for several months past.

As the Deputy Postmaster-General has not been absent from his office during the period in question, the vouchers now in your office, and those produced to me, are not certified in accordance with the law, therefore the authorizing officer has been guilty (and knowingly so, on his own admission) of a breach of Regulation No. 59A.

As regards the Chief Inspector, he too admits that he knew he should not sign the accounts. Although he made no protest in writing, he has protested from time to time verbally, and his action has been such that I think he should be exonerated.

So far as I can see, the Deputy Postmaster-General has nothing to urge in his own favour. In addition to the regulations, he had the express directions, in writing, of the head of his Department, that he was to certify.

Apart altogether from the trouble and extra work which their action must give, there is the more serious aspect, viz.:—That two of the chief officers of the Department, those above all others who should set an example to the staff, should, day after day, and month after month, deliberately break the regulations and the orders of the head of their Department. If it had been done in ignorance, there would have been some excuse, but one and all admitted to me that they knew they were doing wrong. In a question of accounts it is a very serious matter.

I may mention that, for the reports which I have just read, I am indebted to the present Postmaster-General. The House will be astonished to learn that the Government, of which the right honorable member for Swan was a member, allowed the late Deputy Postmaster-General at Perth to retire on a handsome pension, although these reports were actually in their possession. This was done although, as these reports show, he had deliberately broken the regulations of the Department, and could plead no extenuating circumstances.

Mr. DUGALD THOMSON.—Is this the officer who died recently?

Mr. MAHON.—No; he is very much alive, for at the present time he is drawing a pension of something like £500 a year from the Commonwealth. Honorable members may perhaps be interested to learn that this officer had not arrived at the statutory age of retirement, and that the law had to be considerably strained in order to permit him to leave the Department and draw a pension, as he was not incapacitated by reason of ill-health from the performance of his duty.

Mr. FISHER.—Was any charge preferred against him?

Mr. MAHON.—No. On the contrary, he arraigned his superior officers on several occasions. He had so much political influence in Perth, and had managed the Department in his own fashion for so many years, that he thought that he could do as he liked. He even had the hardihood to flout his superior officer, and, I believe, the Postmaster-General of the day. The Auditor-General, in his report for 1902-3, lays stress on Mr. Whitton's remarks, and mentions that irregularities were discovered in connexion with moneys received in the telephone and other branches of the Perth Post Office, to which reference is made in an early portion of the report. It was also found that over £4,000 per annum had been short-charged for telephone rentals. There have been no similar disclosures in connexion with the management of the Department in the other States. In view of the charges which we have made, and the aspersions which have been cast upon us for attacking the management of the Western Australian Postal Department, I have thought it necessary, even at the risk of wearying the House, to read these reports from the highest officials in the Commonwealth. Having performed that duty, I pass on to another matter. I indorse every word that has been said by the honorable member for Kennedy in reference to the vote for a mail service to the New Hebrides and other islands. I think that the Government have been very remiss in placing £6,000 on the Estimates to provide for the service for a whole year, when they knew that that service could not be commenced until six months of the twelve had elapsed. When the matter was being discussed on the Estimates, I was induced not to press my objection to the item to a division, on the assurance of the Treasurer that we should be given an opportunity to move a reduction when the Appropriation Bill was before the House. Now it appears that the practice of the House of Commons, by which we are bound, will not allow a private member to move such a reduction.

Mr. BAMFORD. — We can oppose the second reading of the Bill.

Mr. MAHON.—Yes, but I think that the Government should of their own motion

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reduce the item from £6,000 to £3,000, as provision has to be made for half a year only.

Mr. DUGALD THOMSON.—No more will be spent than is actually earned.

Mr. MAHON.—My point is that, as we have to provide for the expense of carrying on the service only from the 1st January, to the 30th June next, it is not necessary to vote a sum sufficient to cover the cost for a whole year.

Mr. DUGALD THOMSON. — Whenever there are delays in dealing with Estimates, instances of this kind occur.

Mr. MAHON.—Surely Ministers might have arranged to place a smaller amount on the Estimates, knowing that that would be sufficient. There are some very suspicious circumstances in connexion with this mail service. The first is that the Government are prepared to give £6,000 to one particular company without calling for competitive tenders.

Mr. DUGALD THOMSON.—Is one of the suspicious circumstances the fact that the Government of which the honorable member was a Minister approved of the arrangement?

Mr. MAHON.—Not of the full item.

Mr. MCCAY.—The leader of the Opposition did.

Mr. MAHON.—Not without competition.

Mr. DUGALD THOMSON.—Yes; just as it stands.

Mr. MAHON.—I was not aware of it. The Government should invite tenders for this service in the ordinary way, and the House should be informed of the nature of the agreement which has been made. It seems to me that one particular company has been selected for specially favoured treatment.

Mr. DUGALD THOMSON.—I think that all the information on the subject has been printed in the form of a return.

Mr. MAHON.—Not all. We have not been informed as to the terms of the proposed contract.

Mr. DUGALD THOMSON.—The terms are the same as at present, with an extended service.

Mr. MAHON.—I hope that a statement will be made by a Minister in connexion with this matter. I wish now to refer to a matter connected with the administration of the Customs Department, involving, I think, a considerable hardship, and I feel sure the Minister of Home Affairs will listen sympathetically to the case. Recently a Western Australian importer received a small shipment of dress boxes, made of cardboard, with his name printed on the lids. Until recently the importation of such boxes was subject to the payment of a duty of 25 per cent., about which the importer made no complaint, but his last shipment was treated as advertising matter, and charged 3d. per lb., which was equivalent to a duty of about 95 per cent. on the invoiced cost. I wrote to the Department on the subject, reporting the facts, and I received the following reply from the Minister:—

18th November, 1904.

In reply to your letter of 16th inst., relative to the duty charged on certain cardboard boxes, the lids of which are printed with the name of the importer, I have the honour to inform you that the goods in question are classified for duty as advertising matter under item 122 (A) of the Tariff, and in accordance with the provisions of section 138 of the Customs Act. The principle is similar to that involved in the decision on page 14 of the *Tariff Guide*, viz., paper bags, such as those stamped with a trader's name, *e.g.*, "Robinson," 3d. per lb. If imported plain (in which case the printing would be done here), *i.e.*, without the printing on the lid, the boxes would be liable to 25 per cent. under item 123.

As regards the closing paragraph of your letter—

The importer had also had his name printed on some ready-made clothing, and had expressed the fear that this, too, might be charged as advertising matter—

I desire to point out that in the case of drapery, boots and shoes, &c., imported in cartoons or other immediate containing packages, the value of such cartoons or packages is included in the value of the goods for duty. Such boxes are not adapted for further use, and are, therefore, not dealt separately for duty purposes.

Inquiry is now being made regarding the importer's statement that hitherto 25 per cent. only has been charged on dress boxes with the name printed on the lids.

Yours faithfully,

A. MCLEAN.

P.S.—The ruling in the case to which your letter has reference was duly considered by me in connexion with a similar Victorian case, and approved after an interview with the importer.

I do not regard that reply as satisfactory. The amount of work which would be given locally in the printing of the importer's name on the lids of the boxes is surely not sufficient to justify putting him to the expense and inconvenience of importing the boxes separately, and having slips of paper on which his name is printed locally pasted on their lids. It is much easier and better for him to have the boxes sent out ready for use. Surely, even adopting the extreme

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protectionist view, it is going too far to increase a duty from 25 per cent. to 95 per cent. to give the small amount of employment which the printing of names on boxes would afford. I hope that the Minister of Home Affairs will bring the matter again under the notice of the Minister of Trade and Customs, and that a more satisfactory decision will be given by the latter.

Mr. KNOX (Kooyong).—There is a matter in connexion with the administration of the Public Service Act to which I direct the attention of Ministers. Section 31 of that Act reads as follows:—

1. If at any time, in any special case, it appears expedient or desirable in the interests of the Public Service to appoint to the Administrative Division or Professional Division some person who is not in the Public Service, the Governor-General may, on the recommendation of the Commissioner, upon a report from the Permanent Head, appoint such person accordingly without either examination or probation, and also, if he think fit, without requiring compliance with the provisions of Part IV. of this Act.

2. No such appointment shall be made until the Commissioner has certified that, in his opinion, there is no person available in the Public Service who is as capable of filling the position to which it is proposed that the appointment shall be made. . . . .

Last session I drew attention to one or two appointments which had created a considerable amount of heart-burning among our public servants, and to-day I wish to direct the attention of the Minister to an injustice which was done to a man in the Victorian Patent Office when that Department was transferred to the Commonwealth. I have already directed his attention to the case, but it is necessary that some public protest should be made against what I consider an unjustifiable overlooking of an officer's services. This officer had done excellent service in the Department, and yet he received notice that his services were to be summarily dispensed with. I know that there was no obligation on the part of the Commonwealth to take over this officer, but I think that some consideration should have been shown for him, in view of the fact that he was admirably suited for a position which was filled by the appointment of a person from outside. I think that honorable members are justified in expecting that the most rigid care shall be exercised in the administration of the Public Service Act, and that injustice and partiality shall, as far as possible, be avoided.

Question resolved in the affirmative.

Bill read a second time, and reported without amendment.

Motion (by Mr. REID) proposed—

That the Bill be now read a third time.

Mr. SKENE (Grampians).—I desire to bring under the notice of honorable members a matter which should have been dealt with when the Defence Estimates were under consideration. I am at a great disadvantage in speaking upon this matter, because the honorable and learned member for Bendigo, who was to have presented the case to the House, and is in possession of all the papers relating to it, is unfortunately not able to attend here to-day. The subject to which I wish to refer is the retirement of Colonel Tom Price, who was District Commandant in Queensland. Colonel Price has done very efficient work in Victoria and elsewhere. He was the officer who organized and first took charge of the Mounted Rifles, and I think that the work accomplished by him in that capacity has earned for him the gratitude of the people of Victoria. When the Defence Forces were handed over to the Commonwealth, and Commandants were appointed to the various States, Colonel Price, although he had reached the retiring age, was specially asked by the General Officer Commanding to take charge of the forces in Queensland. I do not profess to say that the notes which I have in my possession are accurate in every detail, or that they can be fully borne out by documentary evidence, because I understand that in some cases conversations are relied on. As I understand the position, it is as follows:—Upon the Estimates for 1902 a sum of money was provided which was to be applied towards compensating certain officers who were being retired from the Defence Forces. I believe that Colonel Price was one of the officers who would have participated in such allowances.

Mr. DEAKIN.—Colonel Price's name will be found mentioned in the papers that were laid before the House.

Mr. SKENE.—I understand that Colonel Price was named as one of those officers who was entitled to compensation on retiring, and that he was asked by the General Officer Commanding, in the interests of the Commonwealth, to accept the position of District Commandant in Queensland for a period of two years. Two months after his arrival there, he was notified that he was to be retired, and that the payment of

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a gratuity of £1,169 would be recommended. He had, however, expended some £350 in transferring himself and his family to Brisbane, and in settling himself in a position which he believed he was to hold for two years. When this matter was put before him, I understand that he asked if the £350 would be reimbursed, but received no reply from the General Officer Commanding. Upon the 31st of October of the same year his appointment was confirmed, and I understand that Colonel Price was told by the Minister of Defence—I am only speaking from memory—that in accepting the position he would have to understand that, so far as the Minister was concerned, he would not be able to guarantee him the payment of a retiring allowance, because, although an amount had been placed on the Estimates, there was no certainty that it would be revoted. Colonel Price said that he was willing to leave the matter in the hands of Parliament. He continued to carry out the duties connected with his appointment, and received in addition to the salary he had previously enjoyed as the officer commanding the Mounted Rifles in Victoria, only some £8 per annum. He was fully under the impression that upon completing his two years of service Parliament would recognise the work that he had done for the country, and would not leave him out in the cold in regard to compensation. I assume that whilst he was acting as District Commandant in Queensland his services were fully worth the salary he received, and in fact the honorable member for Maranoa has informed me that he rendered excellent service. He is an officer of experience, not only in Australia, but in India, and he bore a gallant part in the South African war. Therefore, I think this matter is one which the House may very well take into consideration. I understand that when Colonel Price went to Queensland, a sum of money was provided upon the Estimates, out of which he could have received a retiring allowance. That money was available for two months afterwards, and I am under the impression that the then Minister of Defence, the right honorable member for Swan, offered him his retiring allowance of £1,169. Thereupon, the Colonel asked that he should be reimbursed the money which he was out of pocket as the result of accepting the position of Commandant of the Queensland Forces. I understand that the Minister informed him that if he did not retire, he would not be able to claim compensation at a later period.

Mr. FOWLER.—Did the Colonel hold out for the larger sum?

Mr. SKENE.—No. He replied, "I was asked to go to Queensland by the General Officer Commanding, who assured me that my services would be useful to the Commonwealth." Two months after his arrival, having been subjected to an expense of about £350, he was asked to retire, and to accept the compensation to which he was entitled, namely, £1,169. As, however, the Government declined to reimburse him the £350 which he was out of pocket, he was content to serve two years in Queensland at a comparatively low rate of pay, and to trust Parliament to give him the recompense to which he was entitled at the time of his transfer. I hold that whilst Colonel Price was discharging the duties of Commandant of the Queensland Forces, he was doing work which was commensurate with the salary that he was receiving. Consequently, the money paid to him in that way cannot be regarded as a part of his compensation.

Mr. FISHER.—He was warned.

Mr. SKENE.—He was told that if he retired he would receive compensation, but that if he remained in the service he would have to ask Parliament to make him a special grant. He trusted Parliament to deal fairly with him. That is the whole position. During his stay in the Northern State he did good work for the salary which he received.

Mr. FOWLER.—That goes without saying. Why has the matter not been brought before Parliament?

Mr. SKENE.—It was intended to take that course, but, as in the case of the Irishman, what was everybody's business became nobody's business.

Mr. FOWLER.—Do the Government disclaim responsibility in connexion with the matter?

Mr. SKENE.—The Government say that the matter is one for Parliament to decide.

Mr. McCAY.—I shall explain the Government's position later on.

Mr. SKENE.—I think that the House will scarcely be inclined to take advantage of a technicality to preclude Colonel Price from obtaining that compensation which at one time he was entitled to receive. Had the honorable and learned member for Bendigo been present, he would have put the case very much better than I have done. I

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appeal to the House to look into this matter, and to deal fairly with Colonel Price, without regard to any technicalities or mistakes which have been made.

Sir JOHN FORREST (Swan).—I should like to make a few observations upon this subject. When in 1902 this Parliament voted a certain sum, amounting to one month's pay for every year of service, to compensate officers about to be retired from the Defence Forces, it was clearly laid down that the action then taken by Parliament was not to be regarded as a precedent, and that officers who might retire in the future should not consider themselves as having any right to such retiring allowance. It was pointed out that the provision then made was of an extraordinary nature, and was intended to meet a special set of circumstances. Amongst the officers who might have retired then was Colonel Price. He was entitled to retire by reason of having reached the age limit under the Regulations. But just previous to the decision of Parliament to grant retiring allowances he had been appointed Commandant of the Queensland Defence Forces for a period of two years. He had commenced his duties, and was naturally unwilling to relinquish his position. He wished to hold his appointment for the two years before he retired, and to receive the retiring allowance he was then eligible for at the end of the two years. As Minister of Defence at that time, I was unable to comply with his request, because the vote covering the retiring allowances of these officers was limited to one year. I told the Colonel that he might remain two years longer in the service, but that if he did so, he would have to take his chance as regards the matter of compensation. Apart from the fact that he had just commenced his duties, I may mention that he had been subjected to a considerable expense in removing his family to Queensland. Naturally, he was very loth to sacrifice so much. Two years of his service have since elapsed, and he now desires to be placed in the position that he occupied two years ago. In other words, he wishes his retiring allowance to be now paid to him. Considering that all the officers who retired at that time received compensation, I think that he may fairly be treated in the same manner. Had he not accepted the appointment of Commandant of the Queensland Defence Forces, we should have been obliged to appoint some other officer, and to have paid him for his services. If the Government comply with his request, the Commonwealth will not be a penny worse off than it would have been had he retired two years ago. I would further point out that Colonel Price has had a long and distinguished career as an administrator in time of peace, and as a brave soldier in time of war. He was instrumental in bringing the Mounted Rifles in Victoria to their present state of efficiency, and he has also served the Empire with credit and distinction in South Africa and other parts of the world. I should be sorry to see him lose the gratuity which he could have received two years ago, simply because he elected to continue in the service of the Commonwealth for that period.

Mr. KNOX (Kooyong).—As a representative of Victoria, I wish to say that those who have come into contact with Colonel Price will share our desire that no injustice should be done to so gallant an officer. Not only has he accomplished good work as an administrator in Victoria, but he also rendered excellent service in the field in South Africa. Whilst engaged there, the cause for which he was fighting was always paramount with him. As an officer, he commanded the respect of every individual under his command. The right honorable member for Swan has put the position in a nutshell. I venture to say that the claim of Colonel Price will be indorsed not only by Victorian representatives, but by representatitves from Queensland and the other States. Had the honorable member for Maranoa been present he would have supported it with enthusiasm. I am sure that if he were present he would vigorously support our request that Colonel Price should not be deprived of any of the privileges which it was proposed to confer upon him two years ago. We all know that had he consulted his personal convenience, he would not have gone to Queensland. But he accepted the position of District Commandant in that State. and in the opinion of all his friends he has a just claim to be reinstated. He demands nothing in the shape of a gratuity, but that which we all are prepared to support as a right. I rose only to support this request, and am sure that it will receive the sympathetic support of every representative of Victoria.

Mr. CROUCH (Corio).—I should certainly like to indorse the statement made by the honorable member for Grampians. Colonel Price is a great and distingusihed Australian soldier, and did

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splendid work for the Commonwealth during the South African war. Although some of us may have objected to the vigour of his language and actions in days gone by, no one could deny that he always did his best to serve, not his own interests, but those of the State. It was in the interests of the Commonwealth rather than in his own that he accepted the position of District Commandant of Queensland, and had he been a little less unselfish he would not have been treated in the way which it is said the Government are prepared to deal with him. Those who know the state of effciency to which the Australian Light Horse has attained will recognise that it is largely due to the splendid organization carried out by Colonel Price as officer commanding the Victorian Mounted Rifles. I remember that late General Officer Commanding visiting an encampment at Langwarrin about six years ago, and acknowledging that the Victorian Mounted Rifles whom he saw there were a model for the mounted forces of Australia. Later on, when he was appointed General Officer Commanding of the Commonwealth Forces, he selected them as a pattern for the formation and organization of the Mounted Rifles and the Light Horse of Australia. Colonel Price was injured while serving in South Africa, and in that respect alone—quite apart from all other considerations—has some claim on the Commonwealth. I know of one officer who, after serving Victoria for some years, was allowed to remain in the Forces for a considerable time after reaching the retiring age, and at the end of his period of service, he received the sum of £1,150. I do not desire to mention the name of that officer, but I feel satisfied that if the Minister refers to the departmental papers he will arrive at the conclusion that Colonel Price has greater claims upon the Commonwealth than had the officer to whom I refer. My desire is that officers and men shall be treated alike. If the Minister determines to make a grant to Colonel Price, it seems to me that some consideration should also be extended by him to other men who were retired at the time in question, although they were still well fitted to render good service to the Commonwealth. Several other officers, in addition to Colonel Price—although they did not hold such a prominent position in the Forces—were retired in this way, and I hold that they have some claim for consideration. I desire now to refer to the manufacture of cordite in Australia. I believe that the Department has in hand a quantity equal to one year's supply in time of peace. That, however, would hardly be equal to one day's supply in time of war.

Mr. McCAY.—Who said that we had that quantity in stock?

Mr. CROUCH.—I shall be pleased to learn from the Minister that there is more than a year's supply in stock. I understand that under the contract entered into by the Department with Captain Whitney, of the Colonial Ammunition Works, for a year's supply of the cordite necessary for making cartridges——

Mr. McCAY.—The Government supplies the cordite to Captain Whitney.

Mr. CROUCH. — Quite so; but I wish to direct attention to an offer which has been made to the Government by the Australian Explosives Company, which has a factory at Deer Park. Several honorable members, in company with honorable members of the Senate, recently inspected the Deer Park Factory, where the most up-to-date machinery for manufacturing explosives is to be found. I am led to believe that the Minister has declined to enter into a contract with the company for the supply of cordite, because it is not prepared to deliver it under 3s. per lb., whereas in England the price is only 1s. 6d. per lb. The difference, when we consider all the facts of the case, is not so great as would appear on the surface.

Mr. McCAY.—It is a difference of only 100 per cent.

Mr. CROUCH.—Quite so; but we have to compare the price with that which prevails in England in time of war. During the South African war the British Government, which manufactures the cordite required for its own purposes, was not able to cope with the demand, and paid Nobel and Co., of Waltham Abbey—the parent of the factory at Deer Park—2s. 6d. per lb. for a supply. I believe that the Minister himself is impressed with the importance of the question.

Mr. McCAY.—It is one of the questions to which I give almost daily attention, but the honorable and learned member cannot expect me to make an announcement until I have some definite statement to put before the House.

Mr. CROUCH.—I appreciate the great pressure of work put upon the Minister, and I believe that he is doing his best to

cope with it. I am informed by the manager of the Deer Park Explosive Factory that the Ministry have rejected the proposal made to them to supply cordite on the terms I have stated. I wish to draw the attention of the House to the importance of our being absolutely self-contained, so far as ammunition is concerned, in time of war.

Mr. McCAY.—Hear, hear; but it means money, and a lot of money.

Mr. CROUCH.—Not a lot of money. The proposal made by the manager of the company was that the Government should pay for the necessary plant. At present the company manufactures various explosives, including gelignite, which is a coarser form of cordite, but has not the "cord" from which the latter derives its name. The company proposed that the Government should pay for the cost of the plant, £6,000, and offered either to allow the State to erect it on its grounds, or to put it up for the Government for a remuneration of 5 per cent. on the outlay. That seems to me a very fair proposition. The company has a large quantity of machinery in its factory at Deer Park, and would be prepared to keep and stock all the raw material necessary to supply Australia in time of war with an unlimited quantity of cordite for a subsidy of £1,500 a year. Allowing for a certain percentage, the subsidy would really amount to £1,800. As the result of that outlay, our supplies in time of war would not depend on outside sources from which we might be cut off, and I think that the expenditure would be a very reasonable one. Most of the raw material is obtainable in Australia. We can, for example, obtain the sulphur here, and we are already making sulphuric acid and nitric acid. The only material that would have to be imported is nitrate of soda. Deer Park forms part of my electorate, but I do not support this proposition merely because of that fact. I should be glad to hear that the Minister had entered into an arrangement with this or any other company for an adequate supply of cordite. I trust that some satisfactory arrangement will be made. While the Australian Explosives Company demand 3s. per lb. for the supply of cordite, as against 2s. 6d. per lb. charged in England, in time of war, I think it should not be overlooked that the wages paid in Australia are in some cases one-third more, and in others half as much again as those paid in England. In view of this fact, the increased charge sought to be imposed by the local works does not appear excessive. Another matter to which I desire to refer is the mail service to the New Hebrides and other islands of the Pacific, which has already been discussed this afternoon by the honorable member for Kennedy. A fortnight ago I asked the Prime Minister whether Burns, Philp, and Company were the only firm to be permitted to tender for this important service. The right honorable gentleman replied that he did not think "the present proposal" could be improved upon. I then asked if he would permit shipping firms other than Burns, Philp, and Company to compete, and received the reply, "No, because we think the present proposal the best possible." In view of the statement made this afternoon by the honorable member for Kennedy, that another company has offered to take up the services, and run larger steamers for a much lower rate, I fail to see why Burns, Philp, and Company should enjoy a monopoly in this respect. I asked the Prime Minister a day or two ago whether, in connexion with these postal and trading services, he would arrange that Melbourne and Brisbane should be equally with Sydney the terminal ports, so as to give shippers at those ports similar trade advantages. The Prime Minister replied—

> My honorable friend the member for Maranoa has already pressed this matter upon the Government, so far as Brisbane is concerned, and I will inquire also so far as Melbourne is concerned.

Nothing appears to have been done. I think that for procrastination and for giving answers in such a way as to stave off further questioning, the right honorable gentleman holds the record. As the whole Commonwealth is called upon to pay the extra cost of obtaining these trading and postal facilities, Sydney should not be favoured beyond other ports simply because the Prime Minister represents East Sydney in this House, and I urge the Government to see that fair treatment is given to every other port in the Commonwealth, and that Melbourne, and Brisbane, which is nearer to the New Hebrides than Sydney is, shall not be placed at a disadvantage.

Mr. McCAY (Corinella—Minister of Defence).—With regard to the question of the supply of cordite referred to by the honorable and learned member for Corio, all I feel justified in saying is that the supply of ammunition and its component parts

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is a matter of which a Minister of Defence should not lose sight, and I have not done so, though I do not pretend to have made any definite arrangement in the short time I have been in office, because many other pressing matters have engaged my attention. With regard to the case of Colonel Price, I found that the matter had not been finally dealt with when I entered the Department, and, knowing his long and valuable services, if I may express an opinion in regard to them, in assisting to secure the efficiency of the Forces of the Commonwealth, I approached its consideration in no unsympathetic spirit, although I realized that I was not to allow my sympathy to control my judgment in dealing with it. Perhaps, the fairest thing for me to do is to place the facts briefly before honorable members, so that they may be aware of the exact state of affairs, before I state the view which the Government take on the subject. On the 10th October, 1902, a return was laid on the table of the House, showing certain proposed retrenchments, in view of the previous decision of the House to reduce the military expenditure by the sum of £60,000. In that return, Colonel Price, who was then Commandant of Queensland, was named as one who was to be retired on account of his age. The regulations of the Department provided that officers of his rank should retire at sixty, and he was then within ten days of that age. On the 14th May, of the same year, he had accepted the position of Commandant of Queensland, in regard to which acceptance, he alleges that he had no option, while Major-General Hutton has stated specifically, both orally and in writing, that he had the fullest option of going to Queensland or not, as he chose.

Mr. FOWLER.—The position was offered to Colonel Price by Major-General Hutton?

Mr. McCAY.—Yes, and Colonel Price alleges that, although the request was made to him that he should take the position, it was a request which he could not very well refuse. The documents on the file, however, bear out Major-General Hutton's statement rather than that of Colonel Price.

Mr. CROUCH.—I would believe Colonel Price before Major-General Hutton.

Mr. McCAY.—I do not think that the honorable and learned member should make an interjection of that sort, no matter where he may sit, when I am making a statement of the facts of the case. In his acceptance of the position, Colonel Price writes—

> With reference to your memo. asking me if I am willing to accept the command of the Commonwealth Forces of Queensland, I have the honour to state that I am so willing.

He also asks that he shall be granted the full tenure of five years as a reward for services. Major-General Hutton, commenting on that letter, said—

> I propose to recommend Colonel Price, as a special case, to be retained in the service for two years, from the 21st October next.

He pointed out that the Colonel could not be retained beyond October, 1904; because he would then have reached the age of sixty-two years. On the 18th July, 1902, Colonel Price was gazetted Commandant of Queensland, and proceeded to take up his command. At that time neither the Government nor Parliament had come to any decision on the question of gratuities, although it had been raised, and was under consideration. Colonel Price says that Major-General Hutton led him to understand that if gratuities were given, he would get his gratuity on reaching the age of sixty-two, whereas Major-General Hutton says that what he told Colonel Price was that he would do his best to secure a gratuity for him, and would strongly support his request for a gratuity, which he did, as the documents on the file show. He went so far, for example, as to say that in his opinion Colonel Price had a moral claim which the Government could not disregard. The papers, however, confirm Major-General Hutton's recollection rather than that of Colonel Price, and I would point out that the Major-General was not in a position to make a specific promise. On the 10th October, Colonel Price was recommended for retirement on account of age, because of the decision of Parliament to reduce the military expenditure.

Mr. SALMON.—Who made the recommendation?

Mr. DEAKIN.—The General Officer Commanding.

Mr. SALMON.—After promising Colonel Price that he would do his best to keep him in Queensland for two years?

Mr. McCAY.—When that promise was made, the parliamentary reduction of the Defence expenditure was not contemplated. On the 15th October, Major-General Hutton notified Colonel Price that his name had been submitted for retirement, and for a gratuity on the recognised scale of one month's pay for every year of service.

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Mr. FOWLER.—Does Major-General Hutton indicate why he changed his mind about retaining Colonel Price's services?

Mr. McCAY.—No, but the reason is clear. He was called upon to reduce the military expenditure by £60,000, and he had to make a saving wherever he could. On the 15th October, Major-General Hutton caused the following notification to be sent to Colonel Price:—

I am desired by the General Officer Commanding to inform you that, consequent on the retrenchment ordered by the Government, he has, with regret, been compelled to submit your name for retirement, as from the 31st December next. I am further to add that the General Officer Commanding has strongly recommended that a gratuity, at the rate of a month's pay for each year of service, be granted you on retirement.

On the 22nd October, Colonel Price acknowledged the receipt of that notification, and reminded his superior officer that when he was sent to Queensland it was with the promise that he should remain until October, 1904—a promise which Major-General Hutton had undoubtedly made to him. He also stated that he had incurred expenses amounting to about £350 in moving to Brisbane, which would not have been incurred had he not accepted the position of Commandant of Queensland. In addition to the sum of £1,169, to which his gratuity would come, he claimed £50 for uniform, and £100 for losses caused by moving, together with freedom from liability in connexion with the rental of a house which he had leased for two years. Major-General Hutton drew the attention of the Minister to the promise made to Colonel Price, that he should be allowed to remain in Queensland until October, 1904, and the Minister—the right honorable member for Swan—on the 29th October, wrote—

I consider that, as far as the Government is concerned, Colonel Price's case is the only one in which the Government is committed, and in his case only to a limited extent. In order to avoid any misunderstanding in cases like Colonel Price's, it is absolutely necessary that the General Officer Commanding should not make any promise to officers to recommend them for advancement, &c., until he has obtained the approval of the Minister.

Major-General Hutton promised Colonel Price that he should be retained in his command for two years, without first obtaining Ministerial authority.

Mr. DEAKIN.—I think he promised more than that.

Mr. McCAY.—Possibly; but that is the only promise that seems to have been indorsed by the Minister, who said, "The promise having been made, I indorse it, but similar promises must not be made hereafter, unless my approval is first obtained." I may say that the General Officer Commanding, in a minute of 29th October, stated that he had received verbal authority from the Minister; but nothing to that effect appears in the papers. The right honorable member for Swan wrote, on 31st October, as follows:—

Having considered the question of Colonel Price's retirement, I do not think that it is advisable to interfere with his present tenure of office unless he prefers to take the proposed compensation, and retire on the 31st December next.

At the time Colonel Price was appointed as Commandant of Queensland, it was known that he was nearly due for retirement for age (sixty years) under the Regulations, and the papers show that the General Officer Commanding promised to recommend Colonel Price, as a special case, to be retained for two years from the 21st October, 1902, when he attained the age of sixty.

Colonel Price was also informed by minute of the General Officer Commanding, dated 15th May, 1902, that under the Regulations of retirement for age, it would be impossible for him to hold any active command under the Commonwealth after the age of sixty-two, which he would attain upon the 21st October, 1904.

It seems, therefore, to me that, as these facts were before the Government when the appointment was made, the Government is committed to them; and I, therefore, approve of the undertaking being adhered to.

Colonel Price's services will therefore be retained until the 21st October, 1904, when, under the age regulations, he must retire.

Then he added:—

I am unable to make any promise as to whether any gratuity will be paid to him on his retirement, as the present appropriation of gratuities to retiring officers and men was made on the distinct understanding that it should not form a precedent.

This was communicated to Colonel Price. It is only fair to point out that the issue which Colonel Price raised, namely, that he should be paid an extra £350, in addition to the £1,169, was passed by. That matter was not dealt with, and Colonel Price was not specifically asked whether he would take £1,169, plus the £350; but his statement that he was promised an extra two years' appointment was recognised and admitted. This is to a certain extent in favour of Colonel Price. Then on the 5th November, 1902, Colonel Price replied—

I have carefully considered your telegram, "A" 51 of 29th October, 1902, informing me that the Minister has been pleased to approve of the continuance of my present appointment for two years.

I also note that I am given the opportunity of retiring on gratuity on 31st December. From a sordid point of view, the latter would have been

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the course that I should have accepted, but careful consideration has caused me to feel that so long as I am able to give my services to my country, pecuniary considerations (unless extreme) should not weigh against the clear call of duty.

I have exemplified this when I accepted my present appointment at 13s. 4d. per mensem advance on a regimental command that entailed much less expense. Actuated by such feelings, I wired to you that I accepted the offer to remain until 21st October, or two years after the age of sixty. I now ratify that wire.

I further note that your telegram informs me that the Minister is unable to make any promise as to gratuity on retirement at any future date, but I am constrained to believe that services, such as I have rendered to the country, will not be allowed to pass unrewarded, because I do not voluntarily give up my appointment at the present time.

Mr. WATSON.—He wanted to keep both strings to his bow.

Mr. McCAY.—It will be seen that Colonel Price also passed by the claim for £350, which circumstance tells against him, as the other omission told in his favour, and perhaps to about the same extent. The right honorable member for Swan, upon seeing this letter from Colonel Price, wrote on the 14th November—

I have told him that no promise can be made—so he can have no cause for grievance with me if his hope is not realized.

Colonel Price noted this, and wrote as follows:—

Noted.—I should have no cause of grievance if I did not get compensation on retirement, but seeing how small the addition to my salary has been, I retain the hope that when my time comes to retire I may receive generous treatment for my past services.

There the matter ended, until the current year. Colonel Price became ill, and the Medical Board decided that he should retire; but the Government, the Watson Administration, determined that, although Colonel Price would have to retire, owing to ill-health, before he would otherwise have been called upon to leave the service he should be paid his salary until the end of the term for which he was appointed. On the 20th April of this year, the General Officer Commanding called attention to the facts of 1902, and said that the Government were under a moral liability to pay Colonel Price £1,600. The General Officer Commanding was wrong as to the amount, but he had backed up Colonel Price's claim all along. Upon the 11th May of the current year, the then Minister of Defence, Senator Dawson, wrote the following memorandum:—

This matter has been before the Cabinet, and it was not considered that the claim for gratuity on retirement should be recognised, seeing that Colonel Price had the option either to retire on compensation at the time of the reductions, or to continue his service. He elected to continue his service, and therefore had a longer period on full pay.

It was distinctly pointed out to Colonel Price at the time that no promise would be made as to the issue of gratuity at any future time.

The compensation for injury is to be considered on a further report by the General Officer Commanding.

Colonel Price then wrote, stating that he had no option; but in that he was inaccurate. It is true that he had no option before he went to Queensland—no one had any option up to that time—but afterwards he had. He also pointed out that the sum of £350 was involved. Upon the 11th July, Senator Dawson wrote a further minute—I am leaving out everything that is not essential to the case—to the effect that the question had already been considered, and after citing the facts, said that he could not alter his decision. Colonel Price then protested still further, and the matter came under my notice. I brought it before the Cabinet, which came to the decision that they could not reverse the decision of the previous Government. Then, further representations were made to me. Colonel Price saw me, and I asked him to put in writing anything he wanted to say in addition to what appeared upon the file. From first to last, this file has been available to any one concerned on behalf of Colonel Price, and a number of honorable members have perused the papers. After considering Colonel Price's further statement, I sent it on to the General Officer Commanding for his comments, and it is then that the conflicts of evidence appear. I said—

After fully considering this matter again, and especially Colonel Price's last statement, with the General Officer Commanding's comments thereon, I regret that I cannot see that any fresh facts have been brought to light sufficient to justify me in varying the decision already arrived at. Please inform Colonel Price.

Colonel Price was so informed. I think I have told honorable members every essential fact. The Government's position is this: They are the custodians of the public funds, and, as such, it is their duty to preserve them. They did not feel that such a case was made out as would justify them in giving compensation to Colonel Price, and asking Parliament to vote the necessary money. They thought the question was more one of generous treatment than one of strict fairness. On behalf of the

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Government, I may say that they are not in any way unsympathetic towards Colonel Price, and that, if it is the general wish of the House that we should extend generous treatment to Colonel Price in consideration of his past services, we are quite prepared to reconsider the whole case.

Mr. FISHER.—And that of every other person who has rendered us service?

Mr. McCAY.—What I say is, that if it appears to be the wish of the House that the Government should reconsider the matter, we shall be quite prepared to act in that way. I give that undertaking, but I go no further. That seems to me to be a fair position to take up. We have not been actuated by anything but a desire to do right.

Mr. WATSON.—What is the attitude of the Government?

Mr. McCAY.—I have pointed out the conclusion to which the Government arrived, and I have stated that if the House appears to wish the Government to reconsider the matter, we shall have no objection to do so.

Mr. DEAKIN (Ballarat).—I hope that the House will urge upon the Government that this is a case, if ever there was one, in which generous treatment should be extended. Although I have had very few opportunities of meeting Colonel Price—only once while he was District Commandant in Queensland, and once prior to that, whilst he was occupying some position in Victoria—he has been known to me through other officers, and the men who have served under him for many years. From the testimony which has been borne on every hand, I judge that he is one of those rare military men, who, in addition to possessing extensive professional knowledge and high capacity, have the great gift of winning the attachment of the men with whom they are associated, and inspiring them to make sacrifices in the interests of military discipline and efficiency. During the whole of the time he was in Victoria, no officer approached him in popularity. He founded the Mounted Rifles in this State, and established a similar body of men in another State. He moved about among the farmers' sons, from whom the Mounted Rifles were principally recruited, brought the men together, drilled and disciplined them, and imparted to them his own interest in the work which was being undertaken. I do not think that there was ever a finer force in Australia than the Mounted Rifles, which were formed on the initiative of Colonel Price, and were for many years trained by him, and which retained his spirit to the last. Therefore, I am prepared, from the testimony of many acquaintances and friends, who have been associated with the defence movement, to say that the work done by Colonel Price from 1885 onwards in Victoria, South Australia, and in another State, was really something exceptional, and quite outside his ordinary military duties. I do not know that we possess many military officers who could have gone into the country districts and rallied the men around them, drilled, and disciplined them in the way that Colonel Price did. He had served for twenty years in the Imperial Army, and was a well-trained soldier. After having been connected with the Defence Department of Victoria for many years, he went to South Africa, and again I heard of him from the men of the forces under him on a number of occasions, and never in any but terms of the warmest commendation. The men were prepared to follow him anywhere, and they were never weary of speaking of his self-sacrifice. When he was wounded upon one occasion, he refused to retire, as he might well have done. He continued with his force with a broken rib for many weeks, he shared all the privations of his men, and set the first example throughout the whole campaign. I have never heard a word concerning these things from himself, but I have been informed of them by others. Upon his return to Victoria he was transferred to Queensland by the General Officer Commanding, under circumstances which go far to bear out his statement. I do not question the accuracy of Major-General Hutton's memory; but, speaking as he did, as a military officer, I am inclined to think that the offer made to Colonel Price was not a formal one. The latter apparently regarded it in the nature of a command, and accordingly broke up his home within a year or two of his leaving the service, and travelled about 1,500 miles for an increased salary of £8 a year. His appointment as Commandant of the Queensland forces, from a monetary stand-point, was a distinct loss to him. From the honorable member for Maranoa I have learned that in Queensland Colonel Price achieved the same success that he achieved elsewhere. Everybody seems to have become attached to him, and therefore those under his command gave him better service than

they would otherwise have done. I have reason to suppose that the only official reprimand which he ever received was because he did not maintain a proper distinction between himself and his men. He seems to have had the colonial habit of associating with them upon terms of freedom and equality. Here, then, is the case of an officer who was offered his compensation under terms which would have involved him in a loss of between £400 and £500. In other words, he was virtually asked to accept one-half of the gratuity which he would have received had he remained in his own home and in his own State. Under the circumstances, can any one wonder that a person of his bluff temperament should say, "I prefer to continue in the service for two years, and to trust Parliament to treat me generously." I am aware that the honorable and learned member for Bendigo has made an exhaustive study of the whole of the papers bearing upon this question, and that he would have been prepared to lay the case fully before the House, had he not been called away this afternoon. I do hope that the House will take a liberal view of the matter. I am sorry that the Government have not seen their way to promise more than a reconsideration of it. I think that the quite exceptional circumstances surrounding Colonel Price's case, arising partly out of his character, and partly out of the conditions in which he was placed, should receive exceptional recognition.

Mr. Fisher.—Could not that result be accomplished better by means of a motion?

Mr. DEAKIN.—But for a mistake the matter would have been brought forward by way of an amendment to reduce the Defence Estimates by £1.

Mr. SPEAKER.—I am bound to point out to the honorable and learned member that such a proposition could not have been received.

Mr. DEAKIN.—There is a method, I understand, by which the opinion of the House upon this question could have been obtained by means of a specific motion. If ever there was a case which should commend itself to the generous instincts of honorable members it is that of Colonel Price, who is now dependent upon the work of his own hands after forty years' of most distinguished service, many of which were spent in Australia.

Mr. BAMFORD (Herbert).—I rise to add my protest to those which have already been entered by the honorable member for Kennedy and others in regard to the New Guinea mail service. It is remarkable that the Government should have agreed to accept an offer from a private firm for a service of this character without first calling for tenders. So far as the South Pacific service is concerned, I have already expressed my opinion upon that, and I have nothing further to add. But in regard to the other service, I think that it is the duty of the Government to call for tenders. But I find that they have agreed to fall in with the suggestion made by Messrs. Burns, Philp, and Company. The Government propose—

> To establish a service connecting Thursday Island or Cooktown with all the ports in New Guinea. The inconvenience of the present uncertain means of communication has been long and keenly felt, and it has been the opinion of those connected with New Guinea that a regular and frequent communication will do much to promote the development of the Possession.

The service employs only one steamer. In connexion with the proposed service, the public are absolutely in the dark as to the tonnage of the vessels to be employed in it, their horse-power, and, indeed, all the particulars to which they are entitled. I am credibly informed than an offer has already been made by another firm to run this service for £950 per annum, or less than one-half the amount for which Messrs. Burns, Philp, and Company are asking. So strongly do I feel upon the matter that I am determined to divide the House upon it unless the Prime Minister expresses his willingness to call for tenders. I should further like to impress upon the right honorable gentleman the advisability of making Cooktown, and not Thursday Island, the terminus of the service. We already have a weekly service from Melbourne to Cooktown, and it seems to me that, in establish- a service to Thursday Island, the Government are not granting to the residents of New Guinea the postal facilities which they require, and which they might bestow by making Cooktown the terminus of the service. The route proposed to be adopted is a very roundabout one, whereas that from Cooktown to Samarai is almost a straight line. Moreover, the latter route would serve the greatest number of residents. It is suggested that an arrangement can be made with the London Missionary Society to bear a portion of the expense of the service in consideration of the

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steamer calling at certain mission stations. and some trading stations upon the south coast of New Guinea. These trading stations, I understand, are devoted solely to the production of copra in the interests of Messrs. Burns, Philp, and Company. It seems to me an outrageous proceeding on the part of the Government to propose to subsidize a route for the benefit of this particular firm. If need be, I shall divide the House upon this motion.

Mr. McCAY.—There is a lot of other money involved in the Appropriation Bill.

Mr. BAMFORD.—The Prime Minister can state that he will not give the contract to Messrs. Burns, Philp, and Company, without first calling for tenders.

Mr. CROUCH.—He has already said that he will give it to that company.

Mr. BAMFORD.—He has not stated definitely that he will, so far as this branch of the service is concerned. I believe that the other firm which has made an offer to the Government is equally able to carry the mails. I understand also, that it is prepared to comply with all the conditions which may be imposed. Moreover, it has a better boat than have Messrs. Burns, Philp and Company, and I trust that it will receive consideration. There is another matter to which I desire to direct the attention of the Minister of Trade and Customs. Charges of a most serious character have been made in this House respecting the Customs administration in New Guinea. These charges ought to be investigated. If the Minister has not been informed of them, I will take the opportunity of supplying him with correspondence bearing upon them.

Mr. McLEAN.—Will the honorable member send me the particulars?

Mr. BAMFORD.—I shall do so with pleasure. Another matter which is worthy of consideration has reference to the laxity of the Customs administration upon the northern coasts of Queensland. I am informed that a great quantity of opium, upon which duty is not collected, is being introduced there. During the term of office of the late Government I had occasion to draw the attention of the Minister of Trade and Customs to the matter, and subsequent events fully justified my action, some of the firms trading in one particular locality being heavily fined for smuggling opium. After a storm comes a calm, and I am led to believe that the efforts of the Department have been relaxed in a way that is not beneficial to the revenue, or creditable to the Administration. I trust that the Minister will give attention to this matter, and, in conclusion, I earnestly hope that the Prime Minister will give us an assurance that he will not allow the Commonwealth to be mulcted in a totally unnecessary way in respect of the New Guinea mail service.

Mr. MAHON (Coolgardie).—Were I acquainted with Colonel Price, which I am not, I should be disposed to congratulate him upon the championship of his cause in this House. A claim brought forward by the honorable member for Grampians, supported by the honorable member for Kooyong, the honorable member for Oxley, and the right honorable member for Swan, needs only to receive the approval of the honorable and learned member for Parkes, in order to indicate for what manner of man it is being made. It may seem ungracious to oppose the granting of the suggested gratuity, but we all are familiar with the way in which the Government have dealt with similar claims advanced by obscure and friendless officers of the Public Service.

Mr. WILKS.—It seems that Colonel Price was retired because he had not sufficient swagger.

Mr. MAHON.—He certainly has influential friends. The Government will assuredly hear a great deal more of this matter if they give Colonel Price more than that to which he is legally entitled. The claim was fully investigated by one Government, which arrived at a certain decision.

Mr. FISHER.—Two Governments have come to the same conclusion.

Mr. MAHON.—I thank the honorable member for the correction. Two Governments investigated Colonel Price's claim, and each arrived at the conclusion that he should receive nothing more than that which the law would allow. When the Commonwealth is in a position to be generous to the poor and friendless members of the Public Service, it will be quite soon enough to support the claim made by Colonel Price for a gratuity.

Mr. DEAKIN.—I do not think that any member of the service can be poorer than is Colonel Price.

Mr. MAHON.—The honorable and learned member for Ballarat was the leader of a Government which laid down a rule that is working very harshly. Let me recall the case of a postal official who, while in the execution of his duty,

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fell from a telegraph pole and received injuries which resulted in his death. At that time there was a sum of £10 or £12 due to him in respect of salary, and the right honorable member for Balaclava, as Treasurer in the Deakin Administration, actually deducted from this amount, which was claimed by the man's widowed mother, a sum in respect of medical fees and the cost of conveying him to the hospital. The honorable and learned member for Ballarat, as the head of that Government, must accept the responsibility for the rule which was thus laid down.

Mr. Deakin.—This is the first that I have heard of it.

Mr. Fisher.—The matter was discussed in this House.

Mr. MAHON.—The honorable and learned member for Darling Downs was the first to bring it under my notice, as Postmaster-General; but I found that my hands were tied. I could not do justice to the widowed mother of this man without violating a rule laid down by the Deakin Government.

Mr. Deakin.—I have no recollection of it.

Mr. MAHON.—It was certainly a very hard case.

Mr. Deakin.—Hear, hear.

Mr. MAHON.—And there are others that are equally distressing. In view of this rule, it would be monstrous for us to instruct the Ministry to grant Colonel Price any sum other than that which the law and the practice of the Department allow. I do not wish it to be thought that I would deal ungraciously with any man who has served the community; but, when I heard the honorable member for Kooyong mention the risks which this officer took whilst serving in South Africa, I could not help inquiring whether he exposed himself to a greater risk than did any private soldier.

Mr. Knox.—I said that no risk was ever taken by a private soldier which Colonel Price was not prepared to take.

Mr. MAHON.—I did not understand the honorable member to speak in that way of the risk which this officer took; I thought that he spoke of the hardship——

Mr. McLean. — One of my sons, who served with Colonel Price in South Africa, told me that on the battle-field he would stand up and view the enemy through his field glasses, although he would not permit a private soldier to show his head above the rocks behind which they were sheltering.

Mr. MAHON.—I have no desire to reflect on this officer's personal courage, nor on his services to the Commonwealth. My sole contention is that we have no right to make one rule for the Colonel Prices of the service and another for the poor and friendless members of it. I do not oppose the granting of a gratuity because of any ill-feeling; and when I say that I do not even know Colonel Price by sight honorable members will at once acquit me of being actuated by any personal motive in taking up this stand. Until the heartless rule to which I have referred gives way to a more generous method of dealing with such cases, we shall have no right to be lavish in our treatment of this gentleman. It is, to say the least, rather curious that Colonel Price should have found so many able champions in the Ministerial corner, honorable members who did not have a word to say when the case of the postal official to which I have referred was brought before the House.

Mr. Skene.—I never heard of it.

Mr. MAHON.—If the honorable member turns to *Hansard* he will find that the case was discussed in the House. I put it plainly to the Ministry that if they make flesh of one and fish of another—if they are going to make one rule for the Colonel Prices of the service, and another for the poor and obscure members of it—they will hear from us again.

Mr. WEBSTER (Gwydir).—I did not intend to speak to this motion, but I cannot resist making a brief reference to the proposition which has been so ably supported by the honorable and learned member for Ballarat and others. When the Defence Forces were taken over by the Commonwealth, quite a number of men who had served under the States administration were entitled by length of service in some cases to an increase of 6d., and in others to an increase of 1s. per day, but the right honorable member for Swan, as Minister of Defence, refused to recognise their claims.

Sir John Forrest.—That is an *ex parte* statement.

Mr. WEBSTER.—In view of this fact, I cannot understand why honorable members opposite should support a proposal to grant a gratuity to Colonel Price. This is undoubtedly another attempt to mete out

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one form of justice to the man on top, and another to those at the bottom of the ladder. I protest against the proposal, and trust that the Government will not depart from the rule which has been laid down. Let justice be done; do not let us refuse to deal justly with men in the ranks, and, at the same time, give special consideration to an officer.

Sir JOHN FORREST.—The honorable member is attributing motives to honorable members on this side of the House which he has no right to suggest.

Mr. WEBSTER.—I do not understand the right honorable member's bark.

Sir JOHN FORREST.—If the honorable member repeats the suggestion he has made, I shall ask that he be called to order.

Mr. WEBSTER.—The attitude of the right honorable member suggests that he is ashamed of his action in refusing to give the rank and file of the service that which the State had previously arranged to pay them. I desire now, to refer to the question which was introduced by the honorable member for Kennedy. I believe that we should invite tenders for carrying on a mail service between Australia and the South Sea Islands. There should be competition; certainly no preference should be given to a particular company. The question involved is far more important than is the mere matter of maintaining a mail service between Australia and the islands of the Pacific. The Government wish to subsidize a company which has a monopoly of the Australian trade with the Islands. It carries on a wholesale and retail storekeeping business in the islands, and the Government propose to subsidize a monopoly, which we have no right to support, in order that it may enter into competition with a German company for the trade of the Marshall Islands, which are beyond the sphere of British influence. I find that the Jaluit Trading Company has been granted by the German Government a monopoly of the trade in the Marshall Group, and to protect it from the interference of Burns, Philp, and Company, that Government have imposed very high tolls or dues on the latter's vessels. On the first voyage of the *Ysabel* to the Marshall Group, a charge of £225 per month was made. On the second occasion when she visited the islands, she was refused water, and, on the third occasion, the dues were increased to £450 per month. Payment by means of a draft was refused, and the amount was subsequently paid in coin of the realm, and the steamer allowed to take her cargo and depart. Finding that these impositions were not sufficient to deter the company from entering into competition with the Jaluit Company, the dues have now been increased to £10,800 per annum. These facts have all been set out in correspondence on the subject which has been printed in the columns of the *Sydney Morning Herald*, and they show that the granting of the proposed subsidy is a much more serious question than it may at first appear to be. Burns, Philp, and Company are attempting to obtain the trade of the Marshall Islands against the wish of the German company which has been granted a monopoly of that trade, and our international relationships in the Pacific are sufficiently involved already to make it unwise for us to risk trouble by assisting them in this enterprise. I have no objection to giving the company every facility to trade freely within the British sphere of influence, but, seeing the resentment which has been shown by the Germans to our invasion of their trade, I think we shall be taking great risks, and may have to pay dearly in the future for our temerity, if we continue this subsidy. It must be remembered, moreover, that Burns, Philp, and Company are not merely a shipping company. They are interested in trading stores throughout the Islands, and their influence is so great that they have practically a monopoly in the supply of the necessaries of life to the settlers there. The company have promised to employ only white labour on their steamers. They have undertaken to put six vessels into the trade, and to man them with white labour; but when they recently started to run their Singapore line, they took a vessel to Singapore with a white crew, and there placed on board a crew of Malays and Polynesians, discharging the white sailors. This shows that their inclination is to employ alien labour. The fact is that, although they have agreed to run six vessels, manned by white labour, in the Island trade, they are continuing to run two of the six in the Singapore trade, manning them with colored labour. It behoves the Government to see that the agreement is enforced, because an additional amount was voted by Parliament to secure the manning of these vessels by white labour, and if colored labour is employed, the Commonwealth will be spending money for benefits which it is not receiving. Then, again, there are other firms who would be willing to

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employ steamers in these services if tenders were called for, and they should be given an equal opportunity with Burns, Philp, and Company to obtain the subsidy. I am informed that there is now a vessel trading between the mainland and British and German New Guinea, which is in every respect superior to that employed by Burns, Philp, and Company in the New Guinea service, being a vessel of 160 tons, whereas the company's vessel is only 106 tons. I trust that the Government will enforce the articles of the agreement with the company. I, however, object altogether to the subsidy, and shall vote against the third reading of the Bill as a protest against the action of the Government in assisting the company against its competitors.

Mr. FISHER (Wide Bay).—I understand that the reply of the Minister of Defence to the honorable and learned member for Ballarat, that he is prepared to consider the granting of a gratuity to Colonel Price, means only that he is prepared to place an amount on the Estimates for next year.

Mr. McCAY.—I do not think that it will be proper for me to make any payment in anticipation of parliamentary sanction.

Mr. FISHER.—I trust that the Prime Minister will take that view, too. This is a matter of concern to Queensland members, inasmuch as if a gratuity be paid, it will be debited to the State of Queensland.

Mr. SKENE.—Is that so, seeing that most of Colonel Price's service was given to Victoria?

Mr. FISHER.—I think that it would be debited to Queensland, because he was Commandant of that State when he was retired.

Mr. McCAY.—I am inclined to think that that is so.

Mr. FISHER.—At any rate, the matter deserves consideration. I do not, of course, charge honorable members with having had that contingency in their minds when they were advocating the payment of a gratuity to Colonel Price, though it should make them willing to agree to the postponement of the consideration of this matter until an amount can be placed on the Estimates. There is nothing more dangerous than to have matters of this kind brought up in Parliament. It has been pointed out by a previous speaker that, however deserving an officer may be, if he has no political influence, his case will never be heard by Parliament, while a less able and deserving officer, who has friends, may succeed in obtaining a gratuity. The Executive has at its command special officers, who report on all matters of this kind with a full knowledge of the facts at issue. This case has been carefully considered by one Minister, and a decision practically arrived at. That decision was reviewed by another Minister, who concurred in it.

Mr. SKENE.—Upon technical grounds.

Mr. FISHER.—I thought at first the honorable member said "political grounds." I can assure the honorable member that the fullest and most impartial consideration was given to the case of Colonel Price, and that the members of the Cabinet were not influenced in any way against that officer. In ninety-nine cases out of every hundred we admire men who are outspoken, and who show that they have no fear whether they please or displease others. I judge from what I have heard of Colonel Price that he is a man of high character, and I have no prejudice against him. I trust, however, that the Government will not regard the sentimental expressions which have fallen from honorable members this afternoon as sufficient justification for the payment of compensation to Colonel Price. If the money is once paid honorable members will be bound to pass the vote when it is placed upon the Estimates. This question should undoubtedly have been brought forward at an earlier stage, in order that the matter might have been fully discussed and dealt with in the usual course. I do not think that we have any right to discriminate in matters of this kind in favour of those who are in an exceptionally good position to have their cases represented to the House. There may be many hundreds of others who have equally good claims, who are not able to bring their cases before us. I have on fully half-a-dozen occasions sought to obtain information from the Postmaster-General with regard to the payment of duty by foreign tenderers. My question was placed on the notice-paper, in the first place, on the 8th November, was postponed till the 9th, then again till the 15th and 22nd, and finally replied to on the 29th November. The question and answer were as follow:—

Mr. FISHER asked the Postmaster-General, *upon notice*—

Is he yet in a position to inform this House whether it is correct, as stated by the honorable member for Wannon (Mr. Robinson), that successful tenderers not resident in Australia have not to pay Customs duties on goods used in carrying out their contracts, while duty is paid on the

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goods used in a like manner by Australian successful tenderers for Commonwealth contracts?

Mr. SYDNEY SMITH.—The answer to the honorable member's question is as follows :—

The Postmaster-General has now received replies from all the States respecting this matter, and proposes to have a statement prepared dealing with the whole subject, which he will cause to be laid on the table for the information of honorable members.

I understood the Minister to say, also, in response to an interjection, which is not recorded in *Hansard*, that he would lay the papers on the table during that week.

Mr. SYDNEY SMITH.—I found that the papers were in the Attorney-General's Department, and I could not get them back immediately.

Mr. FISHER.—I do not wish to hurry the Minister, but I think that the information I desire could easily be obtained, and placed in the possession of honorable members, before the session closes. If the Minister will promise to lay the papers upon the table within the next day or two I shall be satisfied.

Mr. SYDNEY SMITH.—I promise the honorable member that a full statement of the position will be presented before the session closes.

Mr. FISHER.—I do not care what the facts are, but they should certainly be made known, so that, if necessary, steps may be taken to effect an alteration in the law.

Mr. SYDNEY SMITH.—The honorable member had the matter before him.

Mr. FISHER.—I do not care about that. If I did wrong, I am ready to bear the blame. If any injustice has been done the remedy should be applied as soon as possible.

Mr. R. EDWARDS (Oxley).—I desire to say a few words with reference to the question of granting a gratuity to Colonel Tom Price. I do not think that the position has been made very clear. If Colonel Price has a just claim upon this Parliament, I shall be prepared to meet it, but I think that we should have some more definite information upon that subject before any definite action is taken. Two sums have been mentioned, namely, £1,169, which I understand represents an allowance of one month's salary for every year of service, and £350, the cost incurred by Colonel Price in removing to Queensland.

Mr. McCAY.—The latter amount will not enter into the consideration. The total sum which Colonel Price can claim as a retiring allowance is £1,370.

Mr. R. EDWARDS. — Colonel Price may be all that he has been described by the honorable and learned member for Ballarat, and the honorable members for Grampians and Kooyong, but I do not think that we are in a position to arrive at any definite decision as to the treatment that should be extended to him. The best course to follow would be for the Government to place a sum upon next year's Estimates, and afford honorable members an opportunity to thresh out the whole matter. It must be borne in mind that Queensland will have to bear a large share of any gratuity that may be paid to Colonel Price. I do not think that that is just, considering the short time that Colonel Price has been serving in Queensland. Some two years ago, when it was thought that Colonel Price would be called upon to retire, statements were made to the effect that the whole of the gratuity to which he would be entitled would have to be paid by Queensland. I took the first opportunity of interviewing the honorable member for Swan, who was then Minister of Defence, and he assured me that it was absurd to suppose that Queensland would be called upon to pay the gratuity. After that, the term of Colonel Price's appointment was fixed at two years. I understand that that officer served for upwards of nineteen years in Victoria, and I think that that State should be debited with the whole of the gratuity that may have to be paid. However, I am perfectly willing to leave the matter to be settled by the House at a later stage. With regard to the steam service to the New Hebrides, I do not blame the Government for entering into an arrangement with Messrs. Burns, Philp, and Company. Perhaps it might have been better to call for tenders, but I doubt whether any other firm would be able to make us a better offer than have Messrs. Burns, Philp, and Company, who have special trade relations with the islands, and a fine fleet of steamers. I do, however, find fault with the Prime Minister for having failed to make provision that the steamers engaged in the island services should call at some of the Queensland ports. We desire to cultivate trade with the islands of the South Seas, and I notice that Queensland proposes to send out commissioners, or commercial agents, to report upon the trade possibilities of the Pacific. I hope, therefore, that the Prime Minister will reconsider the matter, and that he will arrange for the steamers

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belonging to the three mail lines to the islands to call at Brisbane, and also at Cooktown. The Prime Minister has stated that he desires to cultivate the most friendly relations with the States Government, and an opportunity is here presented to him to do Queensland a service, and at the same time to bring about a more friendly feeling towards the Federal authority than exists at present in the State which I represent. We should not permit any sentimental hostility to the Commonwealth to grow if we can possibly prevent it. I am very anxious that the Federal feeling throughout the Commonwealth should become stronger and sounder, and I hope that the Prime Minister will do his best in this direction so far as Queensland is concerned by revising the arrangements for the island mail service I have indicated. There is a weekly steam service between Melbourne and Cooktown, and I am sure that it would be a matter of great convenience if the island mail steamers could call at that port as well as at Brisbane.

Mr. MALONEY (Melbourne).—I desire to say a few words in view of the early retirement of the Chief Electoral Officer. I can compliment him upon the way in which he has carried out his duties, and I feel sure that if he had had full control from the beginning, as he had during the recent by-election there would have been far less cause for dissatisfaction. I wish to pay my meed of praise to that gentleman and his two subordinate officers. I trust that if he is retired the officer appointed in his stead will discharge the duties of the position without fear or favour. With the officer in the Postal Department, the consideration is not whether he can discharge his functions without fear or favour, but whether he can "down" me. Indeed, he is playing the same game now. This individual, who was the means of muddling the first election for Melbourne, removed the Registrar at North Melbourne, whilst that officer was engaged in compiling the roll for that division. The matter was brought under my notice, and untruthful statements were forwarded to Mr. Scott in reply to my charges. Several of the letters sent to that gentleman contradict one another. For instance, the officer to whom I have referred declared that the Registrar in question had left North Melbourne upon a certain date, when, as a matter of fact, he had not done so. I enter my protest against that sort of thing. On page 8 of the report of the Select Committee on Electoral Act administration, I find the following statement :—

Charges of partiality were made against the following officers of the Department :—Messrs. F. J. Britten, presiding officer, Melbourne Division; J. M. Falconer, assistant returning officer, Riverina Division; A. Fordham, assistant returning officer, Riverina Division; but in none of these cases did the evidence sustain the charge.

Mr. McCAY.—Could not the honorable member deal with this matter upon the motion for adjournment?

Mr. MALONEY.—I intended to do so last night, but I was afraid of being "hanged, drawn, and quartered" if I attempted to catch Mr. Speaker's eye.

Mr. McCAY.—The honorable and learned member for Darling Downs is absent just now, and he has left all the papers bearing upon the matter with me. I have already spoken upon this motion, so that I cannot reply to the honorable member.

Mr. MALONEY.—I merely wish to draw attention to an inaccuracy which appears in the report of the Select Committee. I object to the statement that "in none of these cases did the evidence sustain the charge." As a matter of fact, there was no evidence taken. The secretary of the North Melbourne branch wrote the following letter, which appeared in the *Age* of 29th October, 1904—

Sir,—In to-day's issue I notice in the forecasts of the Committee's report on Federal electoral reform and inquiries into the unsatisfactory manner in which the last Federal general elections were conducted that the charges of partiality made by me against Mr. F. J. Britten were dismissed. It seems strange that these charges are dismissed without taking any evidence. I submitted the particulars in writing to the Committee, stating that several witnesses were prepared to give evidence in substantiation, and the reply was that the complaint would receive attention. Later I was requested to attend Parliament House on Tuesday, 5th July, to give evidence. At inconvenience to my business I attended, but was not called upon. In the interest of purity of elections all the evidence on both sides should have been heard.

Yours, &c.,
E. H. NEED.

I gave evidence upon that matter. What I said was that a scrutineer had accused another of putting ballot slips into his pocket, which was a violation of the Electoral Act. Thereupon he drew the attention of the officer in charge to the offender. I was present in the booth at the time, with another member of Parliament and two friends. The policeman in attendance said that he saw the man put his hand into his pocket, and Mr. Britten asked him to empty

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his pockets. He declined to do so. I then asked the officer in charge if he would detain the man whilst I consulted Mr. Hunt in reference to the matter. The latter could not leave the central booth at the moment. Subsequently I saw Mr. Newman, and a very strongly-worded letter was sent to Mr. Britten, who in the meantime had allowed the man to regain his liberty. Some persons who were incensed at the action of the officer in question attempted to detain the culprit, but the latter drew a knife and threatened to stab them. That evidence would have been forthcoming had the opportunity been afforded. As a matter of fact, no evidence regarding the matter was called. The statement in the report that the evidence did not sustain the charges made betrays a certain amount of carelessness which should not have occurred. At the same time, I do not accuse the honorable member for Darling Downs or the Minister of Trade and Customs with having been guilty of negligence. If the Government will institute an inquiry into the matter even now, that evidence will be forthcoming. That is the only booth at which any irregularity occurred at the late Melbourne election. I understand that a general desire has been expressed that a sum of money should be voted to a certain officer who has recently relinquished his connexion with the Defence Forces. Having had a personal difference with him many years ago, I do not desire to mention his name, but I may say that my committee feel very strongly upon this question. They have represented to me that it is my duty to oppose the grant of any sum of money that may be placed upon the Estimates for the purpose indicated. I agreed with and applauded the action of the Minister of Defence in this matter, and I see no reason to change my attitude. Thirteen hundred pounds may not seem a very large sum, but it is too much to pay to any officer if he has no legal claim to it. If the Government have that amount to spare, let them distribute it amongst the unfortunate men who were fooled by the promise from a Governor's lips into going to South Africa, and who were promised billets upon their return. I am ashamed to acknowledge that those promises have not been respected. Many of those men to-day are begging for meals. Quite recently three of them informed me that they had been to the Victoria Barracks to try to obtain a pass to Sydney. They were met by some officer who was cruel enough to say, "Oh, walk to Sydney." I can assure honorable members that I expressed a very candid opinion concerning the officer in question. I well remember the beating of drums and the playing of fifes which accompanied the departure of our soldiers for South Africa. Why, Melbourne was transformed into a big circus show. Those men risked their lives in an unjust cause. Now, upon their return, an officer has the audacity to tell them that they had better walk to Sydney. I say that if we have £1,300 to spare, we should disburse it amongst the rank and file. Recently I have examined three of these soldiers, one of whom will be maimed for the rest of his life. A second will never enjoy a single day's health. The Victorian Government have violated their pledges in respect to these men. I say that the officer who claims £1,300 as a retiring allowance should be granted it if he is entitled to it, but not otherwise. I trust that before any money is disbursed in that direction, the matter will be pressed to a division, so that the public may have an opportunity of seeing the way in which honorable members vote.

Mr. SALMON (Laanecoorie).—I should not have spoken upon this question but for the misapprehension which exists in the minds of some honorable members concerning the position of Colonel Price. I am well acquainted with the events which have led up to the present position, and I do not agree with those who say that we should not be justified in giving an indication to the Government of what, in the opinion of the House, they should do in this regard. I make that statement, because I think that Colonel Price has no legal claim. If he had, it would not be the business of the House to consider the matter, except with a view to induce the Government to do that which is the duty of every Administration——

Mr. POYNTON.—It should be done by resolution of the House.

Mr. SALMON.—I agree with the honorable member. This is the proper tribunal to acknowledge the moral claims which are made from time to time upon the Commonwealth. It does not follow that persons who feel that they have a claim upon the State should be able to prove the absolute legality of that claim before this House would be competent to deal with it. I may say that I am in hearty sympathy with those who consider that some of the other cases which have been mentioned, are

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worthy of the attention of the House. A number of States servants who were taken over by the Commonwealth have not been fairly, or even honestly, treated by it. The honorable member for Gwydir referred to a number of men—whom he described as belonging to the rank and file—who, on being transferred to the Commonwealth service, were deprived of certain compensation or pension rights, which they enjoyed under the State law. I cannot realize that this, or any other Government, would act so directly in contravention of the Constitution as——

Mr. McCAY.—That is not what the honorable member for Gwydir said. I am familiar with the case to which he referred. It has been dealt with by several Ministers, and they have agreed that the claim should not be allowed. It is a question, not of pensions, but of an extra allowance to men who are still in the service.

Mr. SALMON.—That is another matter. The fact seems to have been overlooked that the right honorable member for Swan, as Minister of Defence in the Barton and Deakin Administrations, had to deal with the question of granting compensation to those who were to be retired, in order, according to the opinion of the General Officer Commanding, to carry out the decision of the House. Most honorable members are aware that the General Officer Commanding entertained the view that only officers holding a certain rank should participate in the grant to be made by way of compensation. But the then Minister of Defence absolutely refused to agree to the schedule which was submitted to him by that officer. He determined that every man who was being retired from the service, in accordance with the retrenchment scheme, should receive compensation, and as the result of his action, the schedule was made to apply, in a correct ratio, to the private as well as to the highest officer. I think, therefore, that the statement that the right honorable member for Swan was then, and is now, considering only the claims of the more prominent members of the service, cannot be substantiated. I have had a personal, and also an official military acquaintance with Colonel Price, extending over eleven or twelve years, and have an intimate knowledge of the work he has accomplished in Victoria. The best test of an officer's capacity is the appreciation in which he is held by those who serve under him. And I defy any one to discover throughout the length and breadth of Australia, half-a-dozen men who have a word to say against Colonel Price's efficiency, against the consideration which he extended to the lowest as well as the highest in the service, or in condemnation of his capacity, not only to instruct, but to bring out all that was best in every individual with whom he came in contact. Another point to which I wish to direct attention is, that Colonel Price was the first to introduce into the administration of the Defence Forces of the Commonwealth the democratic principle that all officers should rise from the ranks. He made it absolutely essential that every man who desired to rise to the position of an officer in the Mounted Rifles, should first serve a term in the ranks. As the result of this, we have what I hope we always shall have among our citizen soldiery—a feeling of true comradeship between those in the ranks and those who have, for the time being, to command them; a feeling which cannot be equalled in any other part of the Empire. If it were only for the work that he accomplished in this respect, he should receive some consideration from the House. I desire to say nothing regarding his present financial position, save that from my own knowledge of the events which led up to his request that he might be allowed to serve, I am satisfied that, if he had had any idea that the Government would not recognise his services, he would have retired, although at a distinct loss to himself. He left Victoria and gave up the command of his regiment in order to take upon himself the far more responsible and onerous duty of District Commandant in Queensland. He did not accept that responsibility with a view to secure any material increase in his remuneration, because, as the honorable and learned member for Ballarat has pointed out, the salary which he received as District Commandant was only £8 per annum in excess of that previously paid to him as Colonel of a regiment. He had to incur considerable expense in equipping himself, and in properly maintaining the high position which he assumed. I know that Colonel Price anticipated that he would remain in Queensland for five years, and when his term of office was reduced, under the circumstances to which I have already referred, it was with a feeling of deep disappointment that he learned he was to remain there for only two

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years. Any one who has seen Colonel Price must realize that it is a very serious matter to a man of his energy and capacity for endurance to be retired from the service. I freely and frankly admit that he has no legal claim upon the Government, for I know the circumstances under which he joined the service in Victoria. At that time there was no provision for the payment of compensation or retiring allowances to officers; but I feel that we may well indicate to the Government that in our opinion they should make some provision for one who has rendered such good service.

Mr. FISHER.—Might not Victoria take the matter in hand?

Mr. SALMON.—I think that Victoria, which has benefited so largely by his work, is entitled to do something in this direction. I also feel that the work which Colonel Price accomplished, in placing the Military Forces in Queensland on a much better footing than they previously occupied, entitles him to some recognition from that State. But the matter can be best dealt with by this Parliament, which, after all, is mainly responsible for the additional expense to which Colonel Price was put during the last two years of his service. As to the other cases of hardship to which reference has been made, I can assure honorable members that they will always find me ready to give a sympathetic ear, and to offer practical assistance to those who wish to bring their claims before the House. This is the proper place to deal with such cases.

Mr. FISHER.—We brought one case before the House, but could get no satisfaction.

Mr. SALMON.—I was astonished to learn this afternoon that the Treasurer made a deduction from the wages due to a postal officer in respect of expenses incurred in conveying him to the hospital, to be treated for injuries received while in the execution of his duty. For the honour of the Commonwealth, the matter should be immediately dealt with.

Mr. FISHER.—It is the law.

Mr. SALMON.—But this is the highest Court of the Commonwealth. We make the laws, and one of our highest privileges is to give an indication to a Government that a hard-and-fast, and sometimes all too severe, law, should not be allowed to take its ordinary course. I can assure honorable members that the social status of Colonel Price has absolutely nothing to do with my advocacy of his cause. I would far sooner plead for those less able to help themselves, and I am sure that a number of members of the Ministry take the same view. My personal knowledge of them leads me to believe that there is not one member of the Ministry who would not prefer to help those who were least able to help themselves; but the fact that a man has occupied a high and responsible position should not militate against any appeal which is made in his favour in this House.

Mr. POYNTON (Grey).—I wish to refer briefly to a long-standing grievance, in regard to the increments which I hold to be due to officers transferred to the Commonwealth from the State service of South Australia. In answer to a question which I put this afternoon to the Prime Minister, I learned that the matter had not been referred to the Attorney-General. An absolute breach of faith is now contemplated. The Constitution clearly provides that all existing and accruing rights of transferred officers shall be preserved as at the time of transfer. That provision was inserted to insure that those who were transferred from the States to the Federal Service should not have to sacrifice any of their privileges. But what is the present position? When I brought this matter under the notice of the Deakin Government, I was assured in this House by the honorable and learned member for Ballarat that the South Australian officers to whom I refer were entitled to receive their increments under the State law. In other words, the honorable and learned gentleman admitted that they were entitled to receive increments until their salaries had reached the maximum of their classes when taken over by the Commonwealth. I think that every representative of South Australia has brought this claim forward, and the Public Service Commissioner admits that it is a valid one. He went so far as to get an amount placed on the Estimates to pay these increments. Then, another decision was given, and now, although it is nearly four years since the men were transferred to the service of the Commonwealth, they have not yet received the increments due to them under the State law, amounting in some cases to £5, in others to £10, and in one or two to £15. Honorable members this afternoon have been generously suggesting to the Government that a sum of money should be paid to an officer whom they admit has no legal claim to such recognition of his services, and

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therefore I should like to know why other officers should be forced to contest their legal rights in the Law Courts.

Mr. Dugald Thomson.—Does the honorable member refer to the right to be paid increments before the classification, or after the classification? Those are two separate matters.

Mr. POYNTON.—A decision has recently been given, making them two separate matters. The first decision was that, under the South Australian Act of 1874, officers transferred from the service of that State to the Commonwealth were entitled to receive increments. The trouble is, that the salaries of the fourth-class in the Commonwealth service stop at a lower amount than those of the fourth-class in the State service, and when an officer rises to the maximum of the fourth class in the Commonwealth service, he is deprived of the enjoyment of his rights under the State law. Now, apparently, the Minister of Home Affairs seems to think that the classification of the Commissioner takes away those rights altogether, though I fail to see why it should.

Mr. Dugald Thomson.—That is not a recent decision.

Mr. POYNTON.—It was given within the last twelve months. I suppose it is two years since money was placed on the Estimates for the payment of these increments. When the Estimates of the Department of Trade and Customs were before the Committee, the Minister read a minute stating that under the South Australian law officers were entitled to receive increments up to the maximum of their class, but since then I have received, through him, from the secretary to the Public Service Commissioner, advice that that statement is incorrect.

Mr. McLean.—It was based on the first opinion obtained, and the only opinion in the Department at the time, but it appears from the statement of the Public Service Commissioner that it has been overruled by a subsequent opinion.

Mr. POYNTON.—Why cannot the matter be referred to the present Attorney-General? The first opinion stated that the men were entitled to these increments, and the second that they were entitled to them up to the time of the classification. When the honorable and learned member for Northern Melbourne was Attorney-General, he gave it as his opinion, dealing with a case which had arisen under the Victorian law, in which the same principle was involved, that the men were entitled. Apparently, however, judging from an answer I received from the Government to-day, they are to be put to the expense of proving their rights by an action at law. The present state of uncertainty has caused a considerable amount of annoyance, and the sooner a definite pronouncement is made in one way or another, the better it will be for every one. But surely, before the men are forced to go into Court, the opinion of the present Attorney-General will be obtained? It is not a nice thing for officers to have to proceed against the Government. The honorable member for Boothby and I had an interview with the Prime Minister on the subject some time ago, and I expected that, as the result of it, the matter would be referred to the Attorney-General for his opinion.

Mr. Reid.—There seems to be a desire to obtain the opinion of the Attorney-General because it is thought that he will express a certain view. It would appear extraordinary that the Commonwealth should never obtain control of its own officers, that a State law which was passed previous to Federation should operate after the classification of the Commonwealth Service by our Commissioner.

Mr. POYNTON.—The Constitution provides that every officer transferred to, or taken over from the service of a State, shall preserve all his existing and accruing rights. Surely the South Australian Act conferred certain rights on the servants of that State who were transferred to the Commonwealth, and, if so, these rights must have been preserved.

Mr. Reid.—Those rights were subject to modification or destruction by the South Australian Parliament.

Mr. POYNTON.—But the South Australian Parliament took no action to modify or destroy them.

Mr. Reid.—The Government wish to deal fairly with these officers, and are ready to recognise any legal right which they may possess.

Mr. POYNTON.—I complain of the delay in coming to a decision on the point. If the Government do not intend to obtain an opinion from the Attorney-General, the sooner the men take the matter in hand the better, though I should like the Prime Minister to look more closely into the question himself.

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Mr. REID.—My opinion is that legal proceedings should be commenced at once. The Government will facilitate in every way the obtaining of a decision. We will not consider such proceedings as adverse. We shall work with them, and regard the suit as a friendly one.

Mr. WATSON.—Would it not be better to have a test case after the adoption of the classification scheme?

Mr. REID.—The legal point can be settled in advance.

Mr. WATSON.—Judges generally abstain from expressing an opinion on hypothetical cases.

Mr. REID.—We shall encourage the bringing on of this case at once, and shall endeavour in every way to obtain a decision.

Mr. POYNTON.—That will be much more satisfactory than the present state of things, and the best way to get the matter settled. I desire now to ask the Minister of Trade and Customs if he has any further information in regard to a matter which I brought under his notice the other day—the complaint of certain temporary officers employed by his Department, who allege that they were promised certain travelling allowances, which were not paid to them, although paid to permanent officers, the temporary officers receiving a smaller amount. Not only do they seem to have received an injury in this way, but they also allege that they have not been employed by the Department since. I gave the Minister a letter a fortnight ago, in which their case was set out in reply to the last statement of his own officers. There are five men interested, and the regulation is absolutely in their favour. I understand that the regulations provide that travelling allowances shall be paid to permanent and temporary officers alike. I am, however, informed that, whilst the permanent officers have received certain allowances, their payment has been denied to the temporary officers. I know that it is alleged that the temporary officers were not entitled to the allowance, upon the ground that they were sent to places in the country which, for the time being, were regarded as their headquarters. If that view be correct, the objection would also apply to the permanent officers, because they were sent into the country and were temporarily stationed at such places as Angaston and Clare. It seems singular that the permanent officers, who have fixed pay and good billets, should receive the allowances, whilst the claims of the temporary officers should be ignored. The worst feature of the case, however, is that, ever since the temporary officers claimed the travelling allowance, they have received no employment from the Department. There is no question as to their competency, but it appears that the Department, not satisfied with denying the men the payment to which they were entitled, has black-balled them, other men having been put on in the meantime. The Minister can very readily satisfy himself as to whether my statements are correct, because I understand that the last report and the reply of the men concerned have been sent on to him. He can ascertain whether the regulations make provision to the effect I have indicated, whether the permanent officers have been paid, and whether the temporary officers are not entitled to the same allowance. I should like the Minister to deal with this matter, and to afford some definite information before we go into recess.

Mr. REID.—I would remind the honorable member that the members of the Government will be open to receive representations upon this and other matters during the recess, and that we can reply to any communications sent to us, in the same way as if honorable members were in Melbourne, or able to address questions to us in the House.

Mr. POYNTON.—I am quite aware of that, but my experience, which extends over twelve years, shows me that very often letters sent to the Departments do not come before the Minister, and evoke only a stereotyped reply.

Mr. MCLEAN.—If the honorable member writes to me direct, I shall reply to him in the same way.

Mr. REID.—That is fair; so shall I. The honorable member will be treated in just the same way as if he were in Melbourne.

Mr. MCLEAN.—I promise to look into the matter.

Mr. POYNTON.—I am sure that if the Minister does so he will find that my statements are borne out, and that the men have not only been denied their rights, but have been black-balled.

Mr. MCLEAN.—The honorable member is aware that, after being six months in the employment of the Commonwealth as temporary officers, they must stand down for a term before they are eligible for re-employment.

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Mr. POYNTON.—Yes; but I do not think that the men referred to were employed for as long as six months. I trust that the matter will be thoroughly investigated.

Mr. BROWN (Canobolas).—Reference has been made by several honorable members to the claim of Colonel Tom Price for compensation upon his retirement. I am not prepared to speak as to the merits of that gentleman or his claim. If he has a fair claim, I am quite willing to consider it. I sympathize fully with the remarks of the honorable member for Coolgardie, with regard to the contrast between the treatment meted out to officials in the higher grades and that accorded to those occupying more humble positions in the service. The honorable member quoted one case in Queensland, and I have another case in New South Wales, which I desire to bring under the notice of honorable members. A certain workman was employed by the Post and Telegraph Department, in connexion with repairs to the telegraph and telephone lines in Sydney. It was his duty to climb the poles, and for that purpose he was furnished by the Department with a ladder. One day he was picked up in an unconscious condition at the foot of a telegraph pole, and as he never regained his senses he was unable to explain what had happened to him. It is supposed, however, that the ladder was slightly defective, and that fact may have contributed to the accident. He left behind him a widow and young family, who were thrown upon the tender mercies of the world. His fellow-workmen brought his case under my notice, and I made representations to the Postmaster-General, the honorable member for Denison, who considered that the widow and family had some moral, but no legal claim upon the Government. Further, he held the view that the matter should be considered by the State Government, because any gratuity granted to the widow and family would have to be deducted from the money that would otherwise be paid to the State. He said that if the State Government were prepared to make a recommendation on the subject, the way would be opened for the consideration of the widow's claim. The State Government, on the other hand, said that the man had met his death whilst performing work for the Commonwealth, and that the matter was one entirely for the consideration of the Federal Government. Therefore, between the two stools, the matter fell to the ground, and nothing was done. I think that before we consider the claims of highly-paid officers, who have held important and lucrative positions, we ought to pay some regard to the necessities of those who have been dependent upon workmen who have sacrificed their lives in the service of the State under circumstances similar to those related by myself and the honorable member for Coolgardie. I trust that the Government will look into the two cases referred to, and see if it is not possible to do something for the unfortunate families. I was recently informed, by a fellow-workman of the line repairer to whom I have referred, that his widow and young family are in very straitened circumstances, and that anything in the nature of a gratuity will prove very acceptable. There is another matter which I desire to bring under the notice of the Minister of Trade and Customs. It would appear that the powers of the Department are being exerted to the prejudice of a new industry which is being established in Sydney. It relates to the treatment or preservation of eggs. If honorable members will turn to *Coghlan*, they will see that this industry is becoming a very important one.

Mr. SPEAKER.—I would remind the honorable member that upon the motion for the third reading of the Bill, it is not competent for honorable members to debate any question of policy. The discussion must be restricted to matters concerning which provision is made in the Bill by way of a vote or grant of some kind. Unless the honorable member can show that there is some vote or grant that will be applied to the preservation of the eggs he has referred to, he will not be in order in pursuing the subject.

Mr. BROWN.—I merely wish to refer to steps which have been taken by the Customs' Department to the detriment of the industry mentioned. The discovery is that of an eminent medical man in Sydney, who has devoted a considerable sum of money, in addition to valuable time, towards the accomplishment of his object.

Mr. SPEAKER.—Does the honorable member say that there is some grant or vote in the Bill which covers the matter to which he refers? Unless he does, I cannot allow him to proceed.

Mr. BROWN.—I do not know that there is any special vote dealing with it. If I am in order, I wish to discuss the action of the Customs Department in connexion with

this particular matter, because certain powers have been exercised under the Customs Act for the purpose of determining duties which operate to the detriment of the industry which is being established as the outcome of this discovery.

Mr. SPEAKER.—I must admit, so far as the honorable member has stated the question, that I do not think it is covered by any vote in the Bill.

Mr. BROWN.—Then I shall content myself with having brought the matter under the notice of the Minister. In connexion with the administration of the Defence Department, I trust that the Minister will see his way to encourage the formation of half-companies of Light Australian Horse in country districts. In my own electorate a small country town had the honour of sending a large number of men to South Africa during the recent war. These men did honour to themselves and the Commonwealth. Upon their return they utilized the knowledge which they had acquired in forming one of the half-squadrons known as "the scouts." They have maintained themselves ever since at their own expense. At the same time, they have failed to secure enrolment by the Government. The fact that Parliament has not seen fit to approve of the enlargement of the permanent side of the Defence Force, is urged as a reason for the curtailment of its voluntary side. I notice that in this particular section of the Forces, the Department claims to have effected savings last year. I maintain that it did so, at the expense of the particular company to which I refer, and of other companies of a similar character.

Mr. McCAY.—What is the name of the town to which the honorable member refers?

Mr. BROWN.—I am speaking of a company known as the "Condobolin Scouts." The matter has been brought before the Department upon several occasions, and the company has been led to believe that its claims will receive some consideration, but so far, no consideration has been extended to it. I wish the Minister to see that this and similar bodies, which have exhibited their stability, and which have some moral claim upon the Department, are first enrolled as volunteers, and afterwards as members of the partially-paid forces. I think that the whole policy of the Department, from its inception, has been in the direction of encouraging that system of defence. The district to which I refer is a pastoral and agricultural one. The men are efficient horsemen, and well adapted to form a company of that character. I trust that their claims will receive favorable consideration during the current year.

Mr. KING O'MALLEY (Darwin).—I merely wish to call attention to the fact that up to the present time the Government have neglected to make any provision for reimbursing the honorable member for Melbourne and the honorable member for Riverina the expenses to which they were subjected in connexion with the disputed elections for those constituencies. We all know that they had to incur an enormous expenditure owing to the culpable negligence of Government officials. To some extent this House is responsible for that result in having changed the venue of such disputes from a parliamentary committee to the High Court, before which tribunal only millionaires can appear. In this connexion it is the duty of the Government not to allow the session to close without making provision to reimburse the honorable members to whom I have referred their out-of-pocket expenses. Regarding the claim of Colonel Price, I wish to say, as a democrat, that I have an eternal hatred of all military shams. I regard all these gilded-spurred and tufted gentlemen as ham-sandwich advertisers. At the same time, if Colonel Price had an agreement that he should receive a certain amount on his retirement, he is entitled to get it. We have no right to inflict injustice upon any man, even if we do not agree with him politically. If his case be brought before the House, I am perfectly willing to support his claim.

Mr. BAMFORD.—Who is to pay it?

Mr. KING O'MALLEY.—The Commonwealth. We have no right to make any individual in the Commonwealth suffer. Every agreement must be carried out, even if we lose by so doing.

Mr. G. B. EDWARDS.—What about our price?

Mr. KING O'MALLEY.—I am coming to that. The salaries which we receive are a disgrace to the Commonwealth. I am amazed that the electors should send their representatives here to starve upon £400 a year. The Government have made no provision for increasing our allowances.

Mr. REID. — I wonder that the people outside do not start a patriotic relief fund!

Mr. KING O'MALLEY.—They keep their patriots in the destitute asylum. The

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patriotism of the angelic gentlemen who prate so loudly about it consists of dollars and cents. I claim that the remuneration of honorable members is not commensurate with the importance of the position which we occupy. We receive £400 a year, or £7 12s. 6d. per week.

Mr. ROBINSON.—It is $2,000.

Mr. KING O'MALLEY.—Surely the honorable member does not think that $2,000 a year is decent pay for any man of brains! I think that the Prime Minister—apart from myself—is the only man who has had the pluck to put this matter before the country. The Constitution declares that we shall be paid £400 a year "until the Parliament otherwise provides." By "scratching," the Victorian representatives may manage to get along upon that amount. But I would point out that the ordinary bank clerk in Western America receives $2,500 a year to begin with. We have now been in session for ten months, and our first session lasted eighteen months. It will thus be seen that we are deprived of all chance of transacting our private business; even the Victorian representatives fare no better. We continually hear people outside say, "We do not want professional politicians; we want amateurs." Apparently, they desire some boys who will run up to the House occasionally, and bob their heads inside like a bob-tailed bull in clover. I claim that we cannot carry on political affairs any more than we can conduct a private business, unless we have the services of professionals. The time will come when we shall adopt the practice of pairing, and leaving the House for several consecutive weeks, in order to attend to our own business. Some honorable member has said that he considers that he is giving £400 worth of attention to the business of the country, and I think that that remark will apply to all of us. Any man who neglects his own private business for the sake of that of the country does not do justice to his family. Holman, of Wabash, Indiana, who for forty years was considered the watch-dog of the United States Treasury, sacrificed his own business for that of the State——

Mr. SPEAKER.—Is the honorable member discussing any matter provided for in the Bill?

Mr. KING O'MALLEY.—I am discussing the pay of honorable members.

Mr. SPEAKER.—That is not dealt with in the Bill.

Mr. KING O'MALLEY.—If it is not it ought to be. If something is not done to remedy this state of affairs, I shall have to ask my brethren to assist me in rousing the Government to the importance of the question. Let me conclude the story of Holman, and I shall have finished——

Mr. SPEAKER.—I ask the honorable member not to proceed with that matter. He knows that it is out of order.

Mr. KING O'MALLEY.—I hope that something will be done in the matter of the allowances to honorable members, and I appeal to the Prime Minister to deal with the question as soon as he can.

Mr. REID.—In the recess.

Mr. KING O'MALLEY.—I shall support the right honorable gentleman in doing justice to the Parliament. The only other question to which I desire to refer is the necessity of improving the present postal, telegraphic, and telephonic facilities of residents in the remote parts of Tasmania. I would urge the Postmaster-General to visit that State during the recess, and personally inquire into the requirements of the people in this respect. It is interesting to observe the anxiety of the Government to assist the residents of New Guinea, while they are neglecting the descendants of those who won Waterloo for England, who are living in the back-blocks of Tasmania, and are being deprived of these modern elements of civilization. Nowadays, a country in which there is no proper telephone and telegraphic service, may be said to be in a state of savagery. The Postmaster-General has had the pluck to deal with many of these matters, and I would urge him to make a personal inquiry into the requirements of Tasmania. When changes are being made, the Postmaster-General should see that officers are transferred from State to State. It should not be thought that because people are living in a rut they are going to remain there for all time. I am told that when, during the French Revolution Lafayette sought to save the King messengers had to run from room to room to announce that His Majesty would receive him. That formality had to be observed, although Lafayette's object was to save him from the mob. It is necessary that we should do away with antiquated ideas, and endeavour to secure an up-to-date postal service. To his eternal credit be it said that the Prime Minister has had

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the courage to introduce a new system. When he finds that he is wrong, he freely admits his error, and one cannot help respecting him for it. When I am a Prime Minister, I shall do the same.

Mr. CONROY (Werriwa).—I regret that the Government have not thought fit to make provision in this Bill, at all events, for the expenses of honorable members of the Parliament. The representatives of other States who have to remain here while the Parliament is in session, have to abandon their private business, and are put to much expense. Whilst it may be said that a remuneration of £400 is sufficient, so far as regards honorable members living in this State, it must be admitted that those who come from other States do not receive an allowance of anything like that sum. They have to maintain their homes in the other States, and to incur an expenditure of at least 15s. per day while they are attending to their duties here.

Mr. SPEAKER.—Does the honorable and learned member base his remarks on anything in the Bill?

Mr. CONROY.—I hold that provision should have been made in the Bill for the expenses of honorable members.

Mr. SPEAKER.—I have pointed out two or three times during the debate that honorable members may discuss only matters that are dealt with in the Bill itself. If everything for which it does not provide might be discussed, the whole range of possible debate would be thrown open. The honorable and learned member has incidentally referred to the matter of allowances, and I ask him now to deal with something relating to the Bill itself.

Mr. CONROY.—I point out, sir, that this Bill includes a vote to cover the expenses of public officers in the great Departments of the States, and I regret that it is not large enough to include what I should say are the actual expenses incurred by honorable members in attending here. Shall I be in order in referring to that phase of the question?

Mr. SPEAKER.—If the honorable member confines his remarks to that point, he will be.

Mr. CONROY.—Whilst we rightly provide in this Bill for the expenses of officers of the service, we make no provision for those which honorable members incur in attending to the business of the country. We recognise that the travelling expenses of some of our officers may actually exceed the sum which they receive by way of salary, and therefore make provision for them. The expenses of commercial travellers are often far greater than the salary they receive, and no one would dream of saying that they were paid a certain salary if the whole of it were swallowed up by expenses. Section 48 of the Constitution leaves this matter in the hands of the Parliament.

Mr. WILKS.—What would the honorable member say is a fair thing?

Mr. CONROY.—If we are to have any allowance at all, I think it should be something like £1,000 per annum. Whatever it is, it ought to be a clear allowance, apart altogether from the expenses actually incurred by us in attending the Parliament. I regret that the Prime Minister, in providing for the travelling expenses of members of the Public Service, has not seen fit to make the necessary provision to cover the expenses to which we are put. For the last three or four years I have consistently advocated that our allowances should be proportionate to the expenditure which we must necessarily incur. The electors must either choose their representatives from the members of a class to whom an allowance is of no consequence—and that would necessarily exclude all professional men—or from another class to whom an allowance may be of considerable importance, and who, never having been accustomed to anything like £400 a year, would consider it sufficent. The Members of the Parliament in any of the ordinary walks of life could earn far more than their country gives them. Were it not for their desire to gratify a laudable ambition, and to take some share in the councils of the nation, they would not be found here. If it were possible, we ought to confine our sessions to a period of one or two months, but the demand of the people for legislation would not permit such an arrangement to be made. In my opinion, the people are receiving exactly what they are paying for. Men cannot devote the whole of their attention to the business of the country unless they are reasonably remunerated for their labours. The sacrifice which many honorable members are called upon to make is altogether too great. It would be wise to bring this matter before the people of Australia at an early date, and to make provision in the next Appropriation Bill for expenses which would enable representatives of other States to say that they

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actually receive the allowance provided for by the Constitution. At the present time they cannot say anything of the kind owing to the expenses which they have to incur consequent upon their attendance here.

Mr. CHANTER (Riverina).—I wish to bring under the notice of the Minister of Defence the fact that many men living in New South Wales who volunteered for service in South Africa, and actually served for a considerable time, feel aggrieved because the pay which they were promised by the Imperial Government is not yet forthcoming. They assert that the money was paid by the Imperial Government to the Government of New South Wales, and I trust that the Minister will make inquiries into the matter.

Mr. SPEAKER.—That question is entirely beyond the scope of this debate.

Mr. CHANTER.—I refer to it under cover of the Department of Defence, for which provision is made in the Bill.

Mr. SPEAKER.—Unless the honorable member can show—and I think that he cannot—that there is some vote in the Bill providing for the payment of the persons to whom he refers, he cannot discuss the matter.

Mr. CHANTER.—The Bill does not contain any vote relating to them, but as a matter of equity——

Mr. McCay.—I think that the matter has passed from the Commonwealth to the Government of New South Wales.

Mr. CHANTER.—If the Minister can see his way to bring about a further consideration of the matter, and to stop law proceedings, he will be conferring a benefit upon those who have fought for their country in South Africa, and will be doing what will be creditable to the Government. Another matter to which I wish the Government to give attention during the recess, is one which has been brought prominently before the House by the honorable member for Grey, and upon which several honorable members have spoken, namely, the improper practice of mail contractors, who, in many cases, style themselves Cobb and Co., of sub-letting and otherwise dealing with mail contracts, thus doing an injustice to smaller men, and bringing losses upon the Department. Only to-day I gave the Postmaster-General documentary evidence which proves that large firms are obtaining contracts, and then farming them out to others.

Mr. Reid.—Does the honorable member mean that they transfer their contracts?

Mr. CHANTER.—Yes; with the permission of the Department.

Mr. Reid.—Surely, the Department will put an end to a traffic of that kind.

Mr. CHANTER.—I hope that it will. The case which I brought before the Minister came under my notice only to-day, and has occurred in the State of New South Wales. The evidence shows that a certain individual, in the employ of others, was induced to tender for a small contract. His employers, finding that the price did not suit, approached the Department to extend the time for the bondsmen to sign, and in the meantime negotiated for the sale of the service to others, the Department being asked to agree to the transaction.

Mr. Reid.—That is utterly wrong.

Mr. CHANTER.—I agree with the Prime Minister that these proceedings should not be allowed, and I hope that the Minister will put down his foot firmly, and prevent the recurrence of such practices. I hope, too, that he will give more consideration to the extension of telephone lines in country districts. There are many places where the land is timbered, or where there are fences which could be used for the support of the wires, where application has been made year after year for the erection of ten, twelve, or fourteen miles of telephone connexion, and although the work could be carried out for a few pounds, the Departmental estimates have always run into hundreds of pounds, thus depriving the public of a convenience, and causing a loss of revenue to the Department. I hope that the Minister will proceed on the lines which he has promised this House to follow. In my own district fences have been successfully used to carry telephone wires, and, in my opinion, the Department should give telephonic communication as cheaply as they can, or else allow the public to erect their own telephone wires under more liberal conditions than are now given.

Mr. ISAACS (Indi).—I move—

That the debate be now adjourned.

Mr. Reid.—This is an extraordinary thing to do.

Mr. ISAACS.—The motion has not been moved in any spirit of hostility to the Government, but purely to prevent the loss by this House of the constitutional restraint which it has upon the Ministry, so long as it keeps the Appropriation Bill in its own

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hands, in order that urgent and important matters of public interest may be satisfactorily determined before Parliament is prorogued.

Mr. REID.—It is the most pointed proof of want of confidence in the Government that an honorable member could show.

Mr. ISAACS.—I beg to differ from the right honorable gentleman there, but I cannot help it if he takes that view.

Mr. REID.—I never heard of such a motion being moved, except to express want of confidence.

Mr. ISAACS.—If the right honorable gentleman can show me in what other way the House can obtain the information it desires, and yet abandon its constitutional advantage in regard to its possession of the Appropriation Bill, I shall be glad to take advantage of it.

Mr. REID.—I do not yet know what the honorable and learned gentleman wishes to refer to.

Mr. ISAACS.—There are certain matters of very great importance to us as a country, and as a part of the Empire. The Tariff concerns us all. There have been allegations — I understand that I have not the right to discuss the truth of them, or to refer to them in detail, but I wish, so far as my rights and powers will allow me, to make my position clear—supported by what we think a considerable amount of evidence, to the effect that the operation of parts of the Tariff has been injurious to certain industries. It is well known that great efforts have been made by some honorable members to obtain the rectification of what are thought to be anomalies and defects in the Tariff, and, as nearly as possible six weeks ago to-day, we were promised that a Commission would be appointed to investigate the whole matter. I recognise that the Government could not appoint such a Commission without further investigation; but as so long a time has elapsed since its appointment was promised, and the end of the session is approaching, we having reached practically the last stages of the Appropriation Bill, it cannot be fairly charged against me that I have moved an instant too soon to obtain an authoritative pronouncement from the Government as to, not merely the *personnel* of the Commission, because I think that that can be more easily determined, but its scope and duties.

Mr. REID.—I wish to know, Mr. Speaker, if the honorable and learned member can discuss a matter which is not dealt with in the Appropriation Bill. I understand that your previous rulings are clear on the point that only matters dealt with in the Appropriation Bill can be dealt with at this stage. I do not wish to limit the honorable and learned member beyond the requirements of the rules of the House. I could understand that he might be in order, though I am not sure that he would be, in complaining of delay in any executive act; but it seems to me, in the light of your previous rulings, that it is not permissible to discuss now the scope of the Commission, since it is not provided for in the Appropriation Bill.

Mr. SPEAKER.—A speech such as the honorable and learned member for Indi is now making would be absolutely out of order during the discussion of the motion for the third reading of the Appropriation Bill; but I would remind the Prime Minister that the honorable and learned member has moved the adjournment of the debate, and is now speaking to that question. I understood him to be urging that the debate should be adjourned in order to enable the House to receive information in regard to the scope of a certain Commission, and in following that line of argument he will be in order, so long as he does not go into matters of detail.

Mr. REID.—That was my point, that he should not go into matters of detail.

Mr. ISAACS.—I thought I had sufficiently indicated that I understood that I am not allowed to go into matters of detail as to the scope of the Commission. I was urging that, before parting with our grip on the Appropriation Bill, we should insist upon knowing what the scope of the Tariff Commission is to be. The Prime Minister told us a few nights ago that he would not carry the Appropriation Bill past the Committee stage until all the serious business of the session had been transacted. I do not understand that one very important matter, namely, the debate on the motion for preferential trade, has been concluded. That may be referred to hereafter. The right honorable gentleman said, however, that he would regard the question of the appointment of the Tariff Commission as one of grave urgency, and, later on, while not putting it in regard to the Appropriation Bill in the same category as two other matters, he again assured the House that he would proceed with the appointment as a matter of extreme urgency.

Mr. REID.—I said more. I promised that Parliament should not be prorogued

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until the Government had appointed the Commission. It is the fact that the honorable and learned gentleman does not accept that pledge, and wishes to keep back the Appropriation Bill, in order to make me perform my promise, that I resent.

Mr. ISAACS.—I wish to have a clear understanding in regard to the matter. It is quite possible for the Prime Minister to appoint the Commission at a moment when there will be no time for the House to discuss it.

Mr. REID.—I do not intend to play tricks of that sort on the House.

Mr. ISAACS.—I do not say that that is the intention of the Prime Minister.

Mr. REID.—I would not do it.

Mr. ISAACS.—Several honorable members have already left for their homes, and the passing of the Appropriation Bill will be an intimation to honorable members generally that they may with safety depart.

Mr. REID.—The Bill will not be passed when it gets through this Chamber. It will still have to be dealt with in another Chamber.

Mr. ISAACS. — That is so; but once this House has passed it we shall have lost a very powerful constitutional lever.

Mr. REID.—Certainly, if honorable members do not trust the Ministry.

Mr. ISAACS.—The Prime Minister may say presently, with much greater effect, what he has to say on this subject, instead of interrupting my remarks. I wish to state, as quietly and as speedily as I can, my reasons for taking this course. If we look back at the evidence which has prompted those who have urged the appointment of a Tariff Commission and the alteration of the Tariff, we see that, if established. it would afford grave and urgent reasons why no time should be lost. If the allegations which have been made were proved, it would mean that a large amount of trade is disorganized, and labour thrown out of employment. Therefore, we regard it, not as a right, but as a duty, to take every means to emphasize the urgency of the situation. There is no urgency about the third reading of this Appropriation Bill.

Mr. REID.—There is, if the Bill is to go to another place.

Mr. ISAACS.—But there is no such urgency as to prevent some announcement being made beforehand as to the scope of the Commission. The right honorable gentleman may, without any loss of dignity, tell us what the scope of the Commission is to be. I wish to say once more that I am not putting this as a matter of distrust at all. I would ask honorable members to consider the position in which we should stand before the country if the Appropriation Bill were to pass its third reading, and the Prime Minister found certain difficulties in his way relating to the scope of the Commission, its *personnel*, the direction its inquiries should take, whether the Commission was to make progress reports or not, whether any direction was to be given to the Commission to report in time to permit of legislative action next session, whether the Commission was to be of a roving character; in other words, whether it is to open up the Tariff from beginning to end. If we were to allow these things to remain unsettled, without a word of expostulation or request, we should lay ourselves open to the charge of remissness. The right honorable gentleman will admit that six weeks is a very considerable time to elapse in a matter of this kind. When we hear the last hours of this session tolling, it is time that we moved in the matter of asking the Government for something a little more definite in the way of a statement than any that has hitherto been made by the right honorable gentleman. He must give us credit for alertness in the discharge of our duty. If we are right in our contention, the matter is a very serious one.

Mr. CROUCH.—The Prime Minister promised that the Commission should be gazetted last Tuesday.

Mr. ISAACS.—I desire to elicit some definite statement from the Government—something that will satisfy the public that we are doing our duty, and that we are not sleeping upon our responsibilities. Whilst the Government have their duty to perform, we have ours. I hope that the Prime Minister will accept this statement in the spirit in which I make it. I know of no other way of raising the question. We have left this matter until the third reading of the Appropriation Bill was under discussion, and I am sure that if the right honorable gentleman were leading the Opposition under similar circumstances, he would take the same course.

Mr. JOSEPH COOK.—It was open to the honorable and learned member to say all that he has said upon the Appropriation Bill.

Mr. ISAACS.—That is exactly what Mr. Speaker has said I could not do. I do not think I could have taken this action

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at any other stage, except, it might have been, in connexion with the motion for the adjournment of some other debate. I do not think that I have shown any unnecessary party heat, or that I have said anything more than is consonant with the magnitude of the interests concerned. Therefore I content myself with saying that I hope the Government will, before they pass the Appropriation Bill entirely, afford us some information of a definite nature upon this matter.

Mr. REID (East Sydney—Minister of External Affairs).—In speaking now, I do not close the debate upon the Appropriation Bill. There is an amendment now before the Chair, so that I am not depriving any honorable member of his right to speak upon the Bill after I have finished. I quite admit that the honorable and learned member for Indi has, by the words he has used, qualified the impression which I formed from the course he took in moving the adjournment of this debate. Without the explanation which he has given, I submit that it was one of the most pointed attacks that could possibly be made upon any Government in charge of the business of the House. We have no right to be here at all, unless we are allowed to conduct the public business, and I suppose there is no measure more urgent or necessary in the interests of the people, and of the country, than this Appropriation Bill. Therefore, any such motion as the honorable and learned member has moved, would, in point of form, constitute an attempt to take the business out of the hands of the Government, and prevent it from being proceeded with. I admit, however, that the speech made by the honorable and learned member takes away that complexion entirely. He has been at pains--and I quite acknowledge his courtesy—to expressly disclaim the ordinary interpretation that would be placed upon his action, and I understand that he really took the course he has adopted, because, unless he had moved the adjournment of the debate, he would have been out of order. I accept that statement implicitly. I should like to point out, however, that the honorable member knows as well as, and perhaps better than, any other honorable member, exactly the reason why this Commission was not announced on Tuesday last. He knows very well that on Friday of last week, I invited my honorable friend, the leader of the Opposition, to a conference to settle the questions he has referred to, in order that the Commission might be gazetted on the following Tuesday. My honorable friend, the leader of the Opposition, who has, as well as myself, urgent matters to attend to, was compelled to leave the State for some days, and was compelled to suspend his co-operation with me until the following Tuesday. That made it impossible for me not to keep the promise I made, because I was not so careless as to make a promise with regard to a future event, but to fulfil the expectation that the Commission would be gazetted last Tuesday. We renewed for a moment or two last Tuesday our consideration of the matter, but only to postpone it, at the request of my honorable friend, until practically this afternoon, about 3 or 4 o'clock.

Mr. ISAACS.—Postponed it from last Tuesday?

Mr. WATSON.—First until yesterday, but we were not able to meet.

Mr. REID.—The leader of the Opposition and I had a preliminary conversation yesterday. I suppose that my honorable friend does not consider that I am breaking any confidence in making this statement?

Mr. WATSON.—No.

Mr. REID.—The leader of the Opposition yesterday was not prepared to go fully into the matter with me, and asked me to postpone it again, and we did postpone it until to-day. It was not until this afternoon, between 3 and 4 o'clock, that my honorable friend and myself could really come together——

Mr. HUME COOK.—Was not that conference only as to the *personnel*, and not with regard to the scope of the Commission?

Mr. REID.—Surely a Commission cannot be gazetted until its *personnel* has been settled. I have had thrown at me the promise I made, or expectation which I caused honorable members to entertain, that I should gazette the Commission on Tuesday last. And I am now explaining that the preliminary conversation I was to have had with the leader of the Opposition, before the *personnel* of the Commission could be settled, did not actually finish until between 3 and 4 o'clock this afternoon.

Mr. ISAACS.—When did the right honorable gentleman say that he submitted the scope of the Commission?

Mr. REID.—I am not speaking of the scope, but of the *personnel* of the Commission. I suppose that the honorable and

learned member will agree with me that the *personnel* is the main and most difficult point to settle, because it involves asking a number of gentlemen whether they will act or not.

Mr. Isaacs.—Both matters are important.

Mr. REID.—I do not say that the other matter is not important; but it is not so difficult as the selection of the members of the Commission.

Mr. Hume Cook.—Yes, it is.

Mr. REID.—I am only expressing my own opinion. Whether that be correct or not, the delay has occurred in no sense through any desire of mine to protract this period of uncertainty, but through the urgency of public business in respect to the conduct of which my honorable friend the leader of the Opposition and myself have certain responsibilities. We had a number of very pressing matters to attend to through the whole of yesterday's sitting. However, my honorable friend and I were able to come together this afternoon, and in a very few moments we finished our conversation, and arrived at an understanding as to the gentlemen who should be asked to form this Commission.

Mr. Crouch.—Who advises the Governor-General? The right honorable gentleman, or the leader of the Opposition?

Mr. REID.—What is this silly discord that strikes across an intelligent atmosphere? The honorable and learned member ought to recollect that the Government must always take the full responsibility of its executive acts. We are not questioning that. It is only the most shallow and superficial understanding of the importance of these national affairs which forbids a free and frank intercourse between two leaders upon matters which affect both sides of the House, and the community equally, and with regard to which we have all been anxious to act as free as possible from the intervention of party politics. I saw no infringement of the highest traditions of responsible government in conferring with the leader of the Opposition in a matter of mutual concern, which involves members of both sides, and in thus sharing with him the performance of a public duty. I did not perceive that I was wanting in dignity or propriety when I approached the leader of the Opposition. If my honorable friend had thought my action was wrong, he would not have met me in the manner he has done There has been no difficulty of any kind whatever, excepting that which I have explained, involving delay in my honorable friend and myself coming together this afternoon. The moment we settled the names of the gentlemen who should be asked to form the Commission, I approached the next question, namely, the scope of the Commission. I do not wish at present to go into that matter here; but I suggested to my honorable friend the leader of the Opposition—and I put it down in the shape of written headings—what the scope of the proposed Commission should be. My honorable friend received my memorandum before tea, and since then he and I have been in communication as to suggestions on his part, which I have invited him to make, in order that this Commission might be so framed as to give general satisfaction. My desire is to so act in every way, both as to the selection of the members and the scope of the Commission, that every one will be satisfied that everything is being done in a prefectly fair and impartial way.

Mr. Isaacs.—What about the casting vote?

Mr. REID.—The honorable and learned member is jumping from one question to another. I know that there cannot be any general debate upon this matter——

Mr. SPEAKER.—No, there cannot.

Mr. REID.—And I decline to make a statement under such circumstances. I have not myself yet had the advantage of settling finally the terms of this Commission, but what I wish to point out to the House is that I made a promise that, before the House rose, the Commission should be appointed—"gazetted" was the word I used. That means that the terms of the Commission, its scope, and its *personnel*, shall be absolutely made known to honorable members before the prorogation takes place. Having made that promise, I hope there is no honorable member who fancies that I am going to break it in any sense, and, therefore, any attempt to arrest the public business of the country as a sort of hostage for a full performance of my duty, would, if it were seriously intended, offer to me and to the Government an indignity which I should resent. But it is only fair to say that the honorable and learned member has, with perfect courtesy, shown me that he has no desire to cast any doubt upon my good faith or the good faith of the Government. My own impression is that this matter will now be

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settled very speedily, and I can again assure the House that before Parliament is prorogued, a *Government Gazette*, setting out the whole scope of the Commission, its terms, and its *personnel*, will be upon the table of the House.

Mr. WATSON (Bland).—What the Minister has just stated in regard to the progress of the consultation between us as to the appointment of the Tariff Commission is substantially correct. There is only one very slight error into which he has inadvertently fallen. It is that, having to leave Melbourne on Friday last, I arranged to see him upon Tuesday. On Tuesday I saw him, and said that I was not then prepared to consult with him upon the matter. Yesterday each of us was so busy that we had not an opportunity to discuss the matter, and perforce it had to stand over until today. I think that the Prime Minister might easily promise, without any loss of dignity, that honorable members shall be afforded an opportunity of discussing the scope of the Commission before the Parliament prorogues.

Mr. REID.—Certainly, I should be very sorry to refuse that request. I have no objection to it at all.

Mr. WATSON.—It is only a reasonable request. I dare say that, no matter what course may be adopted, some honorable members will find cause for complaint, and I do not think that they should be precluded from voicing their opinions upon such an important matter.

Mr. JOSEPH COOK.—That means reopening the Tariff debate.

Mr. WATSON.—I do not think that the prediction of the honorable member for Parramatta will be borne out. I think that an opportunity should be afforded to honorable members to discuss the scope and *personnel* of the Commission. They may entertain objections to both, notwithstanding that the Prime Minister and myself have agreed as to its composition.

Mr. BRUCE SMITH.—Does the honorable member wish to curtail the scope of the Commission?

Mr. WATSON.—I do not. Personally, I should like to have some indication of the primary matters to be inquired into by the Commission, but I do not for a moment wish to curtail the right of that body to inquire into every aspect of the Tariff which they may consider to be necessary. The only reason why I rose was to ascertain if the Prime Minister is willing to allow the matter to be discussed before Parliament prorogues.

Mr. REID.—Most certainly.

Mr. HUME COOK (Bourke).—I understand that the Prime Minister now proposes to give the House an opportunity to discuss the scope of the Commission before Parliament is prorogued. In doing so he is practically taking away whatever justification may have existed for intervening at this stage. It was the interpretation which we placed upon his inaction that led to the motion for the adjournment of the debate. We had understood that, prior to finally dealing with the Appropriation Bill, both the *personnel* and the scope of the Commission would be made known.

Mr. REID.—I did not promise that.

Mr. HUME COOK.—Because that has not been done, and because we have had to trust, in a large measure, to what we have seen stated in the press and elsewhere, we were more than justified in asking for an official pronouncement on the subject.

Mr. REID.—I do not at all object to the way in which the matter has been put. The honorable and learned member for Indi put the position with perfect courtesy to me, and I have no grievance whatever about it.

Mr. HUME COOK.—I have no desire to take up an attitude hostile to the Government. At the same time, I think that the scope of the Commission is very much more important than its *personnel*, and I was under the impression that it would have been disclosed long ago.

Mr. REID.—How can I reveal part of an Executive act before the Governor-General himself knows it? I cannot discuss such matters before advising the Crown upon them.

Mr. HUME COOK.—I do not know why that which I regard as the more important side of the question should be left to the last moment. I should think that both the scope and *personnel* of the Commission might reasonably have been submitted to the leader of the Opposition simultaneously. But apart from that aspect of the question, I think that we should have some official pronouncement upon the subject. I do not propose to be bound either by what the Prime Minister or the leader of the Opposition does in connexion with this matter. We are justified in expecting an official pronouncement upon it, so that we may not be compelled to rely upon the press reports. As the Prime Minister has declared

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that he will give honorable members an opportunity to discuss the composition and scope of the Commission—though I for one would refuse to discuss the *personnel* of any Commission—I have nothing to add except that I hope ample time will be given us to debate the matter.

Mr. Reid.—I shall not run away, I can assure the honorable member. I shall stay here as long as there is a fight on.

Mr. CROUCH (Corio).—I regret very much that the Prime Minister has sheltered himself for his failure to carry out his promise to probably appoint this Commission upon Tuesday last, behind the leader of the Opposition. There is no dobut that the Prime Minister made that promise.

Mr. McCay.—He did not.

Mr. SPEAKER.—I have had to point out more than once since this motion was moved that the question before the Chair is that the debate be now adjourned. I cannot therefore allow any discussion upon the *personnel* or scope of the Commission, or as to whether the Government have or have not broken a promise. The question under consideration is whether there are sufficient reasons to justify the adjournment of the debate at this stage.

Mr. CROUCH.—If I can show that on the 29th November the Prime Minister promised that the Tariff Commission should be appointed last Tuesday, I submit that that might constitute a reason for believing that it will not be appointed at all, and for insisting that this Bill shall not be passed until it has been appointed. On the 29th November the Prime Minister stated, as recorded on page 7524 of *Hansard*—

I wish to say that the Government, so far from desiring to make those appointments during the recess, have been devoting their special attention to the subject, and I am very sanguine that I shall be able to make an announcement to the House as to the *personnel* of the Commission upon Tuesday next.

Mr. McCay.—Is that a promise?

Mr. CROUCH.—It is.

Mr. McCay.—It is not.

Mr. CROUCH.—It is a promise that the Commission would probably be appointed by that day.

Mr. SPEAKER.—Order! The honorable member is not discussing the question before the Chair.

Mr. CROUCH.—The reason why I wish the debate upon this Bill to be adjourned is that a number of men in my own constituency, who are feeling the pinch of hard times, are awaiting the appointment of the Tariff Commission, in the hope that the result of its labours will be to afford them relief.

Mr. Lonsdale. — The honorable and learned member voted to reduce these very duties.

Mr. CROUCH.—There are men in my constituency who are starving, and although the Prime Minister may laugh at the idea of any man starving——

Mr. Reid.—I was not laughing at that.

Mr. CROUCH.—I can only think of that historical parallel, when the Queen of France exclaimed, "Let the people eat grass"——

Mr. SPEAKER.—Order! There is no historical parallel under consideration.

Mr. CROUCH. — That Queen did not reign very long. If the Prime Minister laughs at the idea of starving men, he will retire as she did.

Mr. SPEAKER. — Order! I cannot allow the honorable and learned member to charge the Prime Minister with laughing at the case of starving men. The honorable and learned member will please proceed with the discussion as to whether the debate upon this Bill should or should not be adjourned.

Mr. CROUCH.—The statement which has been made this evening suggests to my mind that it is highly probable that the Prime Minister is not sincere in regard to the appointment of the Tariff Commission. The honorable and learned member for Indi said that he did not question the *bona fides* of the right honorable gentleman. I do. If he were not in the position which he at present occupies, I should not pay so much attention to him. It is the office of Prime Minister to which I have regard, and not the man. On the 23rd November last, in an interview which was published in the *Argus* and the *Age*, the Prime Minister said—

I want every one to know that there is no dodgery about this matter.

There have been times when Sir Edmund Barton, the honorable and learned member for Ballarat, and the honorable member for Bland, respectively, occupied the position of Prime Minister. How has the occupant of that great office fallen! I do not think that any of them ever felt called upon to repudiate the charge of dodgery.

Mr. SPEAKER.—Order! The honorable member is not debating the question before the Chair.

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Mr. CROUCH.—For the Prime Minister to repudiate a charge of dodgery implies that there is a lurking suspicion in his mind that he is acting in that manner.

Mr. SPEAKER.—I am sure that the honorable and learned member does not wish to defy the ruling of the Chair, and as he understands what that ruling is I ask him to obey it.

Mr. CROUCH.—Then I shall have to discuss the matter at a later stage. The following interview appeared in the Melbourne *Herald* on the 3rd instant:—

The Prime Minister to-day denied the statement in a morning contemporary that he was understood to be in favour of giving the chairman of the projected Tariff Commission a casting, as well as a deliberative, vote.

Mr. SPEAKER.—I exceedingly regret to have repeatedly to interrupt the honorable and learned member, but he must know perfectly well that the matter which he is now discussing has nothing to do with the question whether or not the debate should be adjourned. Unless he complies with the rules of the House, I shall have to order him to resume his seat.

Mr. CROUCH.—I am sure that you, sir, will accept my statement that I am not transgressing deliberately. I do not desire the appointment of the Tariff Commission to be delayed. I should like to know whether I should be in order in discussing a statement that the honorable and learned member for Bendigo, who is to be its chairman, has declared that he will refuse to act upon it unless he is given a casting vote?

Mr. REID.—I rise to a point of order. What can some statement to the effect that the honorable and learned member for Bendigo would refuse to act upon the Commission, save upon a certain condition, have to do with the terms of this motion?

Mr. SPEAKER.—At the moment the Prime Minister rose I understood that the honorable and learned member for Corio was asking me whether a reference to a certain subject would be in order. I may say that a discussion of the matter to which he was referring would not be in order.

Mr. CROUCH.—I can only express regret that the Prime Minister did not see fit to appoint the Commission on Tuesday last. I exceedingly regret that the Government evidently intend to delay the appointment of the Commission as long as possible. After a delay of six weeks, the Prime Minister is not yet able to announce either its scope or *personnel*. I am sorry that he has thought it necessary to repudiate a possible insinuation of dodgery on behalf or himself, and I trust that the honorable and learned member for Indi will press his motion to a division. If he does, we shall see whether it is the desire of the House that the appointment of the Commission shall be further delayed—whether it thinks it right that the Appropriation Bill should be passed through its remaining stages, thus depriving us of our last constitutional opportunity to see that the most important work of the session is not further hindered or completely frustrated.

Mr. HUTCHISON (Hindmarsh).—I think that the honorable and learned member for Indi was amply justified in moving the adjournment of the debate. The reply given by the Prime Minister has, however, put another aspect upon the question. The right honorable gentleman has shown good reasons for his inability to make any announcement to the House with regard to the scope and *personnel* of the Tariff Commission, and I accept his statement. I should like to point out, however, that the reason why he has not been able to proceed further with the matter, is that he has been unable to consult the leader of the Opposition. The debate ought to be adjourned for the reason that I and other members of the Labour Party do not know to what our leader has agreed. I prefer to express my own opinions on the subject. A statement was made in the press this morning that the Labour Party had discussed the *personnel* of the Commission.

Mr. WATSON.—That statement is incorrect.

Mr. HUTCHISON.—But it is accepted by the people of the country.

Mr. FISHER.—God pity the country.

Mr. HUTCHISON.—The honorable member knows that great attention is always paid by the public to a statement which appears in the press relative to an important matter of this kind. It is only fair that the Labour Party, and its allies, as well as other sections of the House, should have an opportunity to learn what has so far been done, and to say whether or not they are satisfied. As the leader of the Opposition has also been consulted with regard to the scope of the Commission, and as the Prime Minister has agreed that it is only reasonable that honorable members should have an opportunity to discuss it, some time for consideration should be allowed us. I certainly object to a statement being published that the Labour Party has

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approved of anything which has been done up to the present in regard to the appointment of the Commission.

Mr. WATSON.—We have not been asked to approve.

Mr. HUTCHISON.—That is so. I am not finding fault with what is being done in this matter; I merely contend that we should have an opportunity to express our approval or disapproval of the determination of the Government, and that it should not go forth that we have approved of something which up to the present has not been done.

Mr. CHANTER (Riverina).—From the reply given by the Prime Minister to the remarks made by the honorable and learned member for Indi, in moving the adjournment of the debate, we can see that the best of good feeling now exists between them. It is true that a slight misapprehension arose; but that was quickly dissipated. The objects which the honorable and learned member for Indi has in view—to ascertain definitely before the close of the session the *personnel* and scope of the Commission and to ensure to honorable members an opportunity to discuss the determination of the Government—are shared by a very large number of honorable members of the Opposition. The appointment of the Commission is an Executive act, and the Government will take the responsibility of it. No one will doubt the statement of the Prime Minister, nor do I think that any one will deny the right of every honorable member to comment upon the selection made. The Prime Minister has made a statement to the House, which I think we ought to accept. He promises that he will give us an opportunity to deal with the question, and I hope that he will also give the House a chance to further consider the Manufactures Encouragement Bill.

Mr. REID.—I wish to send this Bill on to another place so that we may proceed with the consideration of that measure. I wish the House to deal with the Sea Carriage of Goods Bill to-night, and to proceed to-morrow with the consideration of the Manufactures Encouragement Bill.

Mr. CHANTER.—In the light of the statement made by the Prime Minister, I think that the honorable and learned member for Indi should now withdraw his motion, for no purpose will be served by further discussing it. We shall have an opportunity at a later stage to deal with the appointment of the Tariff Commission.

Mr. BROWN (Canobolas).—I hope that the honorable and learned member for Indi will accept the advice tendered him by the honorable member for Riverina, rather than that offered by the honorable member for Corio, who urged that he should press the motion to a division. I should like to say that there is much force in the interjection made by the honorable member for Wide Bay, that it would be a bad thing for the country if it had to depend on the newspapers for accurate reports of everything that transpires in this Parliament. The Government will be solely responsible for the appointment of a Tariff Commission. The Prime Minister has been good enough to consult with the leader of the Opposition in order that the most satisfactory Commission may be appointed. Whatever may have been the result of the meeting the leader of the Opposition has not consulted the members of his party about it.

Mr. WATSON.—There is no necessity to do so.

Mr. BROWN.—Quite so. I trust that the honorable member will not consult his party in regard to this matter, or seek to make them in any way responsible for the appointment of the Commission. When the Prime Minister makes an announcement to the House, we shall be able to deal with the question in a proper way.

Mr. ISAACS (Indi).—I shall content myself by saying that, having regard to the statement by the Prime Minister, I am perfectly willing to withdraw my motion. In order to prevent any misapprehension, I may be permitted to add, in view of the observation, to which allusion has been made by the leader of the Opposition, that whilst none of us desire that the proper scope of the Commission should be curtailed, we certainly do not wish that it should be unduly extended.

Motion, by leave, withdrawn.

Mr. REID (East Sydney—Minister of External Affairs).—Earlier in the debate the honorable member for Wide Bay brought forward the matter of the sugar bounty, which is, no doubt, of most vital consequence to a very large number of persons in Queensland. I entirely sympathize with the determination he has shown from the first to bring the question before the Ministry, as one of the most urgent character. I have also received representations from the Premier of Queensland, expressing the great anxiety of the people of that State

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to have the earliest possible intimation of the intentions of the Government with reference to the bounty, which expires, I think, at the end of 1906.

Mr. WATSON.—The legislation with regard to sugar Excise will also expire at the same time.

Mr. McLEAN.—Both expire on the last day of 1906.

Mr. WATSON.—And in the absence of legislation, there will be a greater protective duty for the black-grown sugar.

Mr. REID.—While I recognise the undoubted urgency of the matter as affecting a number of persons in Queensland, I think that honorable members will accept my assurance that, as the Government only recently came into office, and have had much to occupy their attention, they have not been able to master, in all their aspects, the somewhat troublesome conditions of this problem. We recognise its importance, and that very importance has made us hesitate to come to a hurried decision. I am really quite unable to intimate, in these circumstances, the policy which the Government will propose next session in regard to this matter. I am very sorry that I cannot give my honorable friend satisfaction, for I feel that if I could, I should give relief to a large number of persons in Queensland. But we have not been able, as a Cabinet, to deal with the question, and the illness of the Treasurer has been largely responsible for that fact As honorable members know, the Treasurer has studied this matter, perhaps more closely than has any other member of any Commonwealth Ministry, but as the result of his unfortunate illness, extending over many weeks, we have not had that assistance from him in respect of these and other questions which we should have liked. In these circumstances, I cannot give any further reply than this: That the statements made by the Treasurer in his budget speech still embody the intentions of the Government. We hope to be in a position when Parliament re-assembles next session, if not before, to intimate the policy we have decided to adopt. I do not say that we shall be able to make any announcement before next session, but if we come to a conclusion at an earlier date, I see no reason why we should not make our decision public without waiting for the re-assembling of the Parliament.

—BLE MEMBERS.—Hear, hear.

Mr. REID.—I wish it to be clearly understood, however, that I cannot give a definite promise to make an announcement before Parliament meets next session.

Mr. FISHER.—The right honorable member admits that the Treasurer knows more about the subject than does any other Minister, and he is favorable to our request, that the bounty should be continued.

Mr. REID.—His opinion will have very great weight with the Cabinet, but the matter is too important to be determined by one member of a Cabinet, however competent he may be. I am very sorry that I cannot give my honorable friend a more satisfactory reply in regard to the question.

Mr. BAMFORD.—What about the New Guinea mail service?

Mr. REID.—I may mention, in reply to the honorable member that, pending the passing of this Bill, we have not made any agreement with Burns, Philp, and Company. I promise my honorable friend, and others who have referred to the matter during this debate, that I personally will go most carefully into the question before any contract is made. I have listened to the statements of honorable members, and shall be able to refer to the *Hansard* report of them. I shall carefully deal with the question, and shall, of course, take the full responsibility for anything we may do. But at present the Government are not committed in any way. It is quite an open question, and I shall take care to carefully consider it before any arrangement is made. As to the further question raised in regard to the Pacific Islands services, I may say that I have already arranged for two of the three lines of vessels to call at Queensland ports. I am informed, however, that if the vessels of the third line were to call at them, it would involve a detour, which would nullify our endeavours to secure a more expeditious service. Even as to that matter, however, I shall make personal inquiries. I will give careful attention to the representations that have been made.

Question resolved in the affirmative.

Bill read a third time.

SEA CARRIAGE OF GOODS BILL.

SECOND READING.

Mr. REID (East Sydney—Minister of External Affairs).—I move—

That the Bill be now read a second time.

This is a Bill which was introduced into the Senate, not long ago, by the Attorney-General, and was brought forward because of

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very urgent representations which were made to the Government by a deputation from a general assembly of the Fruit-growers' Union of Australia, which was held in Melbourne. The deputation waited upon me, and made a very strong appeal for the termination of the state of things which now exists in connexion with the carriage by sea of perishable products. I promised to give the matter immediate consideration, and brought it before the Cabinet, with the result that we came to the conclusion that we should, even in advance of the Navigation Bill, deal with the subject as an urgent matter. Before speaking upon the provisions of the Bill, I should like to briefly place before honorable members the present state of the law upon the subject. So far as the British Empire is concerned, there has been no legislation, except in New Zealand, to interfere with what is called freedom of contract, as applied to the shipping business, that is to say, the demand of ship-owners to be allowed to contract themselves out of all liability and responsibility for the carriage of their freights has been allowed to prevail, because there is no law to prevent it. Of course, there are necessarily two parties to all contracts; the shippers must agree to these conditions, or want of conditions. But, in point of fact, the whole of the shipping trade makes demand for absolution from the ordinary conditions attaching to the occupation of a common carrier, so that there is really no freedom to the shipper to vindicate his right to conditions such as attach to other contracts for the carriage of freight. The shipping companies—and as it is lawful, I have nothing to say against the practice—have exercised their ingenuity to minimize their responsibility for the carriage of freight to the smallest point, and so fully have they absolved themselves that, if, whilst a cargo was being carried across the seas, the grossest negligence, the grossest thieving, or the grossest abuse should occur, they would not be liable. Cases of fruit might be opened and eaten by the crew——

Mr. FISHER.—Or any one else.

Mr. REID.—Yes; but I mention the crew, because they are the servants of the shipping companies, and they can obtain entrance to the holds by passages with which the passengers are not familiar. This is a state of things which I think is a disgrace to the shipping trade. There is no sort of equity or fairness in it. When the great English railway companies sprang into existence, it was felt to be necessary to prevent them from contracting themselves out of their liability as common carriers, and the first of several Acts for that purpose was passed in, I think, 1854. In America they have gone still further, because, while under the English law the shipping trade is not prevented from contracting itself out of its liabilities as a common carrier, as a railway company or other common carrier by land is prevented, in the United States these companies have been dealt with on the lines laid down in the Bill before us. New Zealand is, I believe, the only part of the British Empire which prevents shippers from contracting themselves out of their liabilities. But instead of applying the measure to perishable products only, we have applied it to cargo of all kinds, the Bill being general in its scope. It prevents the attempt on the part of a ship-owner to absolve himself from his proper duties as a common carrier in reference to cargo. It has been objected that the effect of this enactment will be to raise freights. That may be so, but the result of the present practice in so framing bills of lading as to get rid of all responsibility has compelled shippers to insure themselves against loss, by arrangement with other companies, and these insurances are generally effected at high rates. That the shipper has to go to an insurance office to protect himself from the default of the ship-owner who has agreed to carry his goods, in itself points to the need of putting the trade on a more honest and proper footing. I asked the deputation of fruit-growers which waited upon me if the proposed legislation would injuriously affect them by increasing their freights. Of course, business men should study these matters, and they told me that they had done so, and that their opinion was that freights could not well be made much higher, that they are now paying very high rates, without enjoying the protection which they should have.

Mr. McWILLIAMS.—The highest rates in the world.

Mr. REID.—I have heard from other sources that that is so, and in my opinion it increases the need for legislation of this kind. If shippers got their perishable produce conveyed at low rates, it might be contended that they were getting as much as they paid for; but since rates are high, the iniquity of the present practice becomes

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glaring, and urgently calls for a remedy. There are two matters which are not dealt with by the Bill, which follows the lines of the New Zealand and United States Acts, but which it is suggested we should provide for. The Bill does not copy the United States Act in one respect, but, after full inquiry, I am prepared to add to it a clause which will make it practically the same as that Act. In the United States there has been more litigation on the third clause of what is known as the Harter Act than on the other provisions of the measure; but the Government have carefully followed the decisions which have been given, and have caused a clause to be drafted which, it is thought, removes the difficulties which have been discovered in the operation of the United States Act. All sorts of complex questions of liability arose in connexion with the Harter Act, such, for instance, as the liability in connexion with a collision; but we think that the clause which we desire to insert is so worded that the intentions of the Legislature will be perfectly clear. We have also thought, upon consideration, that we should not resist the very strong demand that there shall be no interference with existing contracts.

Mr. HIGGINS.—I think that clause 7, which provides that the measure shall not come into force until the 1st January next, prevents it from interfering with existing contracts.

Mr. ISAACS.—A difficulty might arise under clause 5.

Mr. REID.—I think so. The Bill, as it stands, is not sufficiently clear on the point, and I am prepared to accept a new clause, which the honorable member for Franklin intends to propose, protecting existing contracts. I find that there are in existence contracts which have been going on for a considerable period, and it would be inequitable to suddenly put an end to them. I am prepared, therefore, to make it clear that, whilst the measure comes into operation on the 1st of next month, so far as new contracts are concerned, it will not prejudice existing contracts.

Mr. WATSON.—The Bill deals only with
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HONORABLE MEMBERS.—Hear, h

Mr. REID.—The view we take is that it is safer to make the provisions of the measure apply only to ships going from Australia to other countries, or from one State to another.

Mr. GLYNN.—I do not think that we can, under section 98 of the Constitution, apply these provisions to shipping going from one port to another within a State.

Mr. REID.—That is so. There is no reason why these provisions should not apply to the coastal trade of the States, except the limitation in the Constitution. We thought that we had not the power to apply the provisions of the measure to transportation within a State, and did not wish to raise controversial questions.

Mr. WATSON.—Section 98 seems to give us full power to do that.

Mr. GLYNN.—No. The power we have is conferred by sub-section 1 of section 51.

Mr. REID.—Our view was that we had no jurisdiction under any part of the Bill that would apply to the domestic transportation of any State, say, from one port to another, in Victoria. I presume that honorable members have seen the Bill. It is a very small one, and contains only seven clauses. The definition of goods, in clause 2, includes everything except live animals. The third clause provides, as I have described, as to the extent to which the Bill shall apply to trade. The fourth clause refers to the conditions which are included in bills of lading, contrary to justice and equity, and which we think ought not to be permitted. They are all specified in the clause, and I do not think that among them honorable members will find any condition which should not be prohibited.

Mr. MAHON.—Does not that collide with the principle of freedom of contract?

Mr. REID.—Yes, it does, from one point of view. As has been said in other cases, there is no freedom to contract in the present instance, because men are compelled to accept such conditions that freedom practically forms no element in the contract.

Mr. WATSON.—This is a good socialistic proposal.

Mr. REID.—I do not care, so long as it is right. I think that we can find something good in almost anything—even in the Labour Party. If my honorable friends will carefully study the conditions that are prohibited in bills of lading under clause 4 of this measure, they will see that we are not interfering more than is absolutely neces-

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sary with the rights of ship-owners. Clause 5 has the effect of defining jurisdiction and fixing the construction. The sixth clause provides for penalties. Of course, it is necessary that the prohibition should be followed by certain penalties. As honorable members know, the amended Acts Interpretation Act, passed this session, provides that penalties fixed in the form adopted in the Bill, namely, "penalty £100," shall mean the maximum penalties —not that the full amount shall be inflicted in every case, but that the penalty shall not exceed the amount specified. Therefore, the penalty provided for in this case means "not exceeding £100." Then there is another clause which provides that the Act shall come into operation on the 1st January, 1905. I propose to accept the new clause, of which notice has been given by the honorable member for Franklin, which reads as follows:—

This Act shall not apply to any bill of lading or document issued after the passing of this Act in pursuance of any contract or agreement entered into before the passing of this Act.

Provided that the exemption contained in this clause shall cease on and after 30th June, 1905.

Mr. Bruce Smith.—That provision could be made in the form of an addition to clause 4.

Mr. REID.—Yes, the honorable member for Franklin would be quite at liberty to make his proposal in the form of an amendment to clause 4, and I suggest that he should adopt that course. I think that the proviso that the exemption contained in the clause, shall cease on and after 30th June, 1905, is a proper one. The Bill cannot become law in a moment, and as notice has been given, it would be very easy for persons who desire to contract themselves out of the operation of this Bill to enter into long contracts before the Bill became law. For instance, they could extend their contracts for ten years, and thus nullify the law so far as they were concerned for an indefinite period. Therefore, if we allow the present contracts to hold good until the middle of next year, those who are interested will have ample time to make any alterations in their arrangements that may be necessitated by this legislation. The new clause which we have drafted follows the principles of the Harter Act of the United States, but it avoids the provisions in that section which have caused endless trouble in the Courts of the United States, and have led to constructions being placed upon the legislation that were never contemplated. For instance, it was never intended that the owner of goods in course of transit should be involved in liability as between the owner of the ship in which his goods were being carried, and the owner of some other ship, with which it might come into collision. Under the Harter Act the owner of the goods in such cases is dragged into all sorts of questions of general average under certain conditions, with which he should really have nothing to do under an Act of this kind, because the object of this particular provision is to go no further than the relations which exist between the individual shipper and the individual shipowner. It has nothing whatever to do with the liabilities which arise under other circumstances, and the proposed new clause, which adopts the principles of the third section of the Harter Act, in words which clearly express the intention, reads as follows:—

6a. Neither a ship nor her owner, charterer, or agent shall be responsible to the owner of goods carried on the ship for damage to or loss of the goods—

(*a*) Resulting from faults or errors in the navigation or management of the ship, and

(*b*) not caused, or contributed to, by her unseaworthiness, or by her improper manning or equipment.

That is to say, that if a vessel is seaworthy and has been properly manned and equipped, and goods are damaged, not owing to negligence, so far as their stowage or management are concerned, but owing to some error in navigating the ship which may result, for instance, in its grounding upon a shoal, it is not intended that the ship shall be liable. The proposed new clause eliminates a number of words in section 3 of the Harter Act, which have caused immense trouble in America.

Mr. Isaacs.—Is the form of that section an affirmative exoneration of the ship-owner from liability?

Mr. SPEAKER.—I think that the proper course to adopt is to consider any new clauses in Committee. At the present stage, we are considering whether we shall read a second time a Bill which is in print. Therefore we can hardly take into consideration clauses which are not in the Bill until we reach the Committee stage. I would suggest that course to the Prime Minister.

Mr. REID.—I am much obliged to you, Mr. Speaker. All I desired to do was to

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indicate to honorable members what we proposed to adopt in the way of alterations. Perhaps it would be more convenient for us to go into Committee, and deal with the matter there.

Mr. KNOX (Kooyong).—I cannot quite share the view expressed by the Prime Minister, because the Bill, short as it may be, is really a very serious measure, and calls for our most careful consideration. The Prime Minister has made the statement that only in one other part of the British Empire has legislation of this character been carried into effect. The honorable gentleman apparently forgot that the Royal Assent had not yet been given to the New Zealand Act, and that, therefore, it had not yet come into operation. That fact in itself is sufficient to show that this measure is fraught with important consequences to a very large number of interests, and deserves something more than summary consideration at the fag end of the session. I represent the various Chambers of Commerce of the Commonwealth, and I should like to inform honorable members as to the attitude assumed by these bodies. At the third annual meeting of the general Council of the Chambers of Commerce of the Commonwealth, held in Melbourne in April last, the following resolution was passed :—

> That this Council recommends that legislation in respect of bills of lading should be in the form of the Act of Congress of the United States of America, 1893, known as the Harter Act.

It is common knowledge that for years past in all parts of the British Empire there has been great conflict between shippers and ship-owners. Owing to the new clauses which have been inserted in bills of lading year after year, it is really difficult to know what risk, if any, the ship-owner now takes. An agitation has taken place in Great Britain, and in every State of the Commonwealth, upon the subject, and is now being supported by the united councils of the Chambers of Commerce in the Commonwealth, with a desire to secure such modifications as will throw just obligations and responsibility upon ship-owners. The Chambers occupy a difficult position, because they represent the general trading and commercial interests of the whole community. Whilst they consider that it is absolutely necessary that some change such as that now proposed should be made, they have no wish to place ship-owners in such a position that they will be absolutely without remedy. That, presumably, would be the position of the ship-owners, if the Bill were passed in its present form. This House has been approached by way of petition by the ship-owners, who have set out various reasons why they should be granted certain protection. No doubt they have acted properly, but I think that in the light of their knowledge of the agitation which was proceeding, they might have informed the Chambers of Commerce at an earlier date. I have circulated an amendment, which reads as follows :—

> If the owner of any vessel, transporting any merchandise or property to or from any port within the Commonwealth, shall exercise due diligence to make the said vessel in all respects seaworthy and properly manned, equipped, and supplied, neither the vessel, her owner or owners, agent, or charterers shall become or be held responsible for damage or loss resulting from faults or errors in navigation of said vessel, nor shall the vessel, her owner or owners, charterers, agent, or master be held liable for losses arising from dangers of the sea, or other navigable waters, acts of God, or public enemies, or the inherent defect, quality, or vice of the things carried or from insufficiency of package, or seizure under legal process, or for loss resulting from any act or omission of the shipper or owner of the goods, his agent or representative, or from saving or attempting to save life or property at sea, or for any deviation in rendering such service.

It embodies substantially the provisions of section 3 of the Harter Act. I am very gratified to know that the Prime Minister has agreed to what will probably prove to be a better proposal than that which I intend to submit. It is a modification of the Harter Act which will protect the shipping companies from any injustice.

Mr. HUTCHISON.—This Bill is intended to protect the fruit shippers.

Mr. KNOX.—Whilst I am entirely in sympathy with legislation of this character, I do not wish an injustice to be done to the shipping industry. If we enact legislation on the lines of the Harter Act, I think that we shall do well for all concerned.

Mr. HUTCHISON.—The Prime Minister has said that that Act has been responsible for endless litigation.

Mr. KNOX.—Only certain portions of it. I venture to say that the word "management," which appears in that Act, has created more litigation than has anything else. The point has been raised as to whether that term referred to the management of a vessel, or to the management of the products which the ship-owners were

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carrying. I may mention that the Melbourne Chamber of Commerce support this Bill in substance upon the understanding that a provision will be inserted in it which will have substantially the same effect as section 3 of the Harter Act. It is also supported by the Sydney Chamber of Commerce, the secretary of which has written to me as follows:—

The Council are of opinion that any measure on the lines of the previously expressed views of the Chamber, and particularly of the resolution of the general council of the Chamber of Commerce of the Commonwealth, April, 1904, and of the proposed "measure to extend the remedies of persons, &c., &c.," *vide* report of General Council of the Chambers of Commerce of the Commonwealth, April, 1904, pages 128-130—should be supported.

He adds—

It is only just, however, to state that the members of the Chamber, constituting the shipping trade sectional committee are strongly opposed to the measure.

I am also in receipt of the following telegram from the Adelaide Chamber of Commerce:—

Referring Sea Carriage Goods Bill, Adelaide Chamber recommends legislation on lines Harter Act, but strongly urges nothing to be done until report of Navigation Commission is available. Consider Bill in present form detrimental to Australian commerce.

I am of opinion that had that body known that it was proposed to insert in this Bill an amendment on the lines of the Harter Act it would have modified the concluding portion of its communication. I quite concur in the view that the details of this measure can be best threshed out in Committee. The Bill is practically the product of a deputation which waited upon the Prime Minister. Whilst the Chambers of Commerce in the various States are in sympathy with its object and wish to see it become law, they disclaim any desire to inflict injustice upon the ship-owners, with whom it is desirable that all shippers should act justly and harmoniously.

Mr. HIGGINS (Northern Melbourne).—I sincerely hope that this Bill will be passed. It is very urgently needed in the interests of the producers of all the States. The charge which has so frequently been levelled against members of the Labour Party that they have regard only to the interests of the residents of the towns, has become so ludicrous that I need scarcely refer to it. I feel that this Bill constitutes an interference with so called "freedom of contract" which both sides of the House will feel justified in attempting. It is a case in which there is no freedom of contract. Our producers have to send their produce to England in whatever ships are available, and on such terms as the ship-owners dictate. Consequently, it might just as well be said that Esau had freedom of contract when he bartered his birth-right for a mess of pottage. I ask the Prime Minister not to pass the new clause through Committee to-night. Section 3 of the Harter Act has led to a great deal of litigation. An effort has been made by general consent to avoid the pitfalls that have been found in that section. I understand that a new clause has been drafted, which will need very careful consideration. Personally, I should not like to criticise that provision immediately it has been placed in my hands. Clause 3 of the Bill applies only to shipping between Australia and other countries, or between State and State. I am afraid that we are compelled to that limitation by the Constitution. It is very unfortunate that, although we can legislate in respect of shipping between Melbourne and Adelaide, we cannot legislate in respect of shipping be-between Melbourne and Warrnambool. That is one of the faults of the Constitution which we accepted in imitating the United States Constitution.

Mr. GLYNN.—I think it was caused by the shifting of the navigation clauses which necessitated the re-drafting of the Constitution.

Mr. HIGGINS.—It must have been forgotten in the drafting of our Constitution that the coast-line of each of our States is much longer than is that of the States of America, as a rule. Our States are tremendously large, as compared with the average American State. As a result, we may have a ship voyaging from the Gulf of Carpentaria to Brisbane, a distance of 1,100 miles, and this Parliament cannot legislate with regard to it, notwithstanding that it can legislate for a ship voyaging from Brisbane to the Richmond River.

Mr. BRUCE SMITH.—Do not these criticisms constitute a reflection on the Constitution?

Mr. HIGGINS.—I think that we are coerced by the Constitution into limiting the operation of this Bill. I should much prefer to be a party to a measure which dealt with Australian shipping as a whole, than to deal with it in this piecemeal fashion. In my opinion, clause 4 requires reconsideration. The chief object

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of the Bill is to aid producers in sending their commodities to England. That object, I fear, will not be properly achieved under paragraph *b* of clause 4. It deals with rather a technical matter, and I should like the attention of the honorable and learned member for Parkes to my remarks. Clause 4 provides in effect that the obligations of the owner or charterer of a vessel to make and keep the ship's hold, refrigerating and cool chambers, safe for the reception and carriage of goods, are not to be lessened by anything which may be contained in the bill of lading. The difficulty is that the owner or charterer may say, "I am under no obligation to make proper refrigerating chambers, and, therefore, I am not lessening any obligation upon me to make and keep any proper refrigerating chambers and cool storage."

Mr. GLYNN.—That applies to the whole of the Act, does it not?

Mr. HIGGINS.—Of course the Harter Act was framed upon the basis of the existing common law liabilities. But I would point out that there are no common law liabilities in regard to providing refrigerating chambers. They were not dreamt of at the time that the common law was growing up. Therefore, it was quite right to declare in the Harter Act that the obligations at common law to keep a ship in a proper seaworthy condition are not to be lessened by any contract. But when we say that the obligation to keep refrigerating chambers right are not to be lessened by any contract, the provision is without meaning. I suggest to the Prime Minister that he should reconsider paragraph *b* of clause 4, with a view to making it clear beyond all doubt that there is an affirmative, positive duty cast upon the owner or charterer of a vessel to see that there are refrigerating chambers on board, and that they are properly kept throughout the voyage. Although the point seems to be a technical one, he will recognise that it is perfectly simple. The paragraph to which I have referred lays it down that nothing in the bill of lading shall lessen the obligation upon any owner or charterer of a vessel to keep proper refrigerating chambers. But if there be no obligation to lessen, the provision is meaningless.

Mr. KELLY.—What about the word "avoided"?

Mr. HIGGINS.—But there must be an obligation to start with. At common law, assuming there were no special terms in the contract, there is a certain obligation on carriers by sea as well as on carriers by land, to provide a good ship, or a good vehicle, as the case may be.

Mr. BRUCE SMITH.—The shipper chooses his own ship; he need not contract to send his produce by a particular vessel.

Mr. HIGGINS.—That is another point. I was seeking to reply to the inquiry made by the honorable member for Wentworth as to whether the word "avoiding" would not meet the case. I think that the whole question hinges on the word "obligation." There must first of all be an existing obligation, which is not to be lessened. I cannot find any provision for such an obligation, unless it be provided for by contract. A ship-owner, however, would say that he did not contract to undertake the obligation. I am glad that the honorable member for Kooyong has expressed the opinion of the Chambers of Commerce upon this question. Although certain amendments have been submitted by the Chambers, I recollect that, at a conference of Chambers of Commerce which met in Melbourne about three years ago, the late Hon. Robert Reid—one of the most experienced men in these matters whom I have ever met in Australia—actually urged that not only should there be legislation with regard to the contents of bills of lading, but that ships should be run by the Government to convey our produce to England. There must be a change coming over the feelings of the people when such a man—a strong individualist and anti-Socialist, who happened, however, to be an importer and exporter, but not a ship-owner or a charterer—could say, "The terms of bills of lading have become so stringent as to exempt the ship-owner or charterer from every liability, and we must press the Government to interfere by legislation." At the same time, a merchant invariably deprecates State interference in any matter in which he is personally interested. The Prime Minister has accepted the proposal of the honorable member for Franklin, which, I think, is absolutely fair. All that it means is that where persons have already made arrangements for vessels to go to a port to ship produce, this measure shall not interfere with the agreements made, although bills of lading may not have been actually signed.

Mr. MCWILLIAMS.—Shippers in Tasmania have entered into contracts with seventeen steamers to carry their produce. If this measure at once came into force

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there would not be time for them to arrange for fresh steamers to carry their produce to the markets of the old world before the opening of the fruit season.

Mr. HIGGINS.—I think that the suggestion is a fair and sensible one, and so far as I can see, I shall be very happy to support it. The exception to the proviso is also right. It is necessary that some limit should be placed on the time allowed, otherwise ship-owners would take care to make arrangements that would bring them within the proviso.

Mr. Bruce Smith. — It requires two parties to make an arrangement.

Mr. HIGGINS. — But the honorable member knows as well as does any other honorable member, that very often one party is compelled to make an agreement with the result that the other can dictate what terms he pleases.

Mr. Bruce Smith.—But surely not in the short interval proposed in this case?

Mr. HIGGINS.—I hope that after the second reading of the Bill has been agreed to, we shall be allowed some time to consider these questions before the measure passes through the Committee stage.

Mr. BRUCE SMITH (Parkes). — I listened to the speech made by the Prime Minister, when introducing this measure, with considerable satisfaction, because it evidenced a strong desire on his part to hold the scales evenly between the two great interests involved—those of the ship-owner, and those of the persons who have much greater local influence, the fruit-growers and other producers of this country. I also listened with much satisfaction to the speech made by the honorable member for Kooyong, because, although he has taken an active part in the work of some of the commerical bodies which have agitated for this legislation, I think he, too, succeeded in assuming a very judicial attitude in dealing with the two interests involved. I am bound to say that I do not feel quite so satisfied as to the impartiality shown by the honorable member for Northern Melbourne in the speech which he has just delivered. I may be wrong in my method of interpreting his desires, but he seemed to me to have one class only in his mind—the very large and important class of fruit-growers and other producers nearest home, whose interests we are very apt to magnify in considering all the issues at stake. For instance, the honorable member commenced by suggesting that we might find it more desirable to adopt the stronger provisions of the Harter Act, which have already been embodied in this Bill, and to reject the one section of all others, which the Legislature of the United States thought it only fair to introduce into that measure as a saving provision from the ship-owners' point of view. I remember that the draft of the Inter-State Commission Bill, as introduced in this House, contained some marginal notes indicating that it had been taken from an American Act. I had occasion to look very carefully into the Act, of which it purported to be a reproduction, and found that not only had the clauses in the Commonwealth Bill been so considerably altered as to materially change the effect of the measure, but that other provisions which, as in the case of the Harter Act, were considered by the Legislature of the United States to balance the obligations between the parties interested, had been wholly omitted. I was very glad to hear the Prime Minister say that, as the outcome of representations which had been made to him, he was disposed, with certain modifications, which I think he could justify, to adopt the whole of the Harter Act, which the United States Parliament thought a just and equitable basis of arrangement between the ship-owner, and the produce merchant and fruit-growers. The honorable member for Northern Melbourne should be careful to remember that, although we may produce butter, fruit, and a variety of perishable products in this country, it would be utterly useless to carry on the various industries to which they relate unless at the same time we could command competent and sufficiently sea-worthy vessels to carry that produce to the markets of the world. Although the persons whose interests are wrapped up in these great shipping companies may not be on the spot, and may not be able to exercise the same influence by deputations and other means, as can the fruit-growers and others who live here, we must remember that the great industries of Australia, whether they be pastoral, agricultural, dairying, or fruit-growing, must be looked at as a whole. We must have regard not merely to the extent of their products, but to the means of conveying those products to the markets of the world. There are something like thirteen or fifteen great shipping companies now competing for the refrigerating trade of Australia with

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Europe; and although I am not here to champion any company, I hold that we ought to seriously take into consideration the effect that any measure introduced in this House is likely to have on that great industry, upon which our producers depend, just as much as they do upon the seasons in which they cultivate particular products.

Mr. McWILLIAMS.—I think we are endeavouring to deal fairly with this matter.

Mr. BRUCE SMITH.—I am not complaining of anything which the honorable member has said; I am indorsing the spirit which the Prime Minister and the honorable member for Kooyong exhibited in dealing with this matter; but I am deprecating any lop-sided view of the question, which may or may not be the result of the fact that one class of persons happens to reside in Australia, while the other class is absent. We have a precedent for this measure. We have the fact that the United States, with a population of 80,000,000, with legislators as able as ourselves, with interests as wide and as diversified as our own, considered this question some years ago, with the result that the Harter Act was passed. I think that it would throw an enormous responsibility upon any Government, or upon any member of this House, to suggest that because the one interest is here, and the other is elsewhere, we should pick and choose between the sections of an Act which we are copying from the legislation of a great country like that of the United States—that we should select those which are beneficial to local interests, and reject those which will protect the interests of those who are outside.

Mr. WILKS.—There is no reason why we should unnecessarily harass ship-owners.

Mr. BRUCE SMITH.—No. We have to remember that the shipping interest is so important that without it we might as well give up producing anything of a perishable character in this country. When we reflect upon the fact that these great companies are now sending to our shores vessels which, in some cases, cost £250,000 each, we must recognise that an enormous sum is being invested in order to give us the great advantage which such a service means. I recognise at once that, both in the matter of ships and of the produce, the mainspring of all this effort is commercial self-interest. We must not suppose, however, that because the one interest is represented by a great company, whose shareholders we cannot trace, and the other by individuals who can personally wait on the Prime Minister, and submit their grievances to him, the one is to be treated differently from the other. As long as we see that in copying an Act passed by the Legislature of a great community like that of the United States, both interests are properly conserved, we shall do very well, assuming, of course, that that measure is applicable to our circumstances. Something has been said by the honorable member for Northern Melbourne as to the regret which he feels that this measure cannot be applied to shipping between local ports, such as Melbourne and Warrnambool. Surely that is a consideration upon which it would be rather out of place for this Chamber to spend any time. It is a purely academic, *post mortem* sort of inquiry as to what ought to have been provided in the Constitution. The honorable member was one of the members of the Conventions which framed the Constitution, and it was quite open to him to take exception to any provision in the Constitution limiting the powers of the Commonwealth Parliament in this respect to matters as between State and State. If the Bill had attempted to deal with the shipping within the States themselves, it would have been *ultra vires* of the Constitution, and some of its clauses would have been jeopardized, so that the Government were wise in limiting it as they have done. It is, however, a very partial sort of measure. Any person who has come here to-night by railway, having purchased a ticket, has accepted conditions absolving the Railway Commissioners of this State from a huge variety of risks which may occur in a journey from a suburb to the city.

Mr. McWILLIAMS.—Have not the Courts ruled that those conditions are not effective?

Mr. BRUCE SMITH.—No; and I have myself suffered because of them. It is necessary to make a declaration of value to insure the liability of the railway authorities from loss in connexion with anything they have agreed to carry. I think that the value of the article has to be declared as exceeding £1. Honorable members should recollect, therefore, that it is not only the great shipping companies which send their vessels from England and Europe to Australia which make these conditions. The Prime Minister, in his speech, used one or two phrases which I think on a future occasion he will hesitate to repeat. He

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spoke of the present state of things as "a disgrace to the shipping trade," and "contrary to justice." If this has been so apparent for years, surely one may express surprise that the Legislatures of the States have not introduced legislation to prevent the railway authorities from contracting themselves out of their liability in regard to the safe carriage of the goods of the selectors, the farmers, and the dairymen of the country. It must be remembered that we are now singling out a class of persons who are serving the community with a convenience which we could not do without. We ought, therefore, not to characterize these contracts, to which there must be two parties, by the language which has been used, and to which I take exception. We are now practically obtruding upon the domain of private contract. The leader of the Opposition said—I think very properly—that this is a piece of Socialism. So it is. There are hundreds of contracts being entered into every day which might as well be interfered with, if the ground for interference is that one of the parties is not at liberty to do more than accept or reject the conditions offered by the other. I could give many instances which show that in a score of relationships one set of citizens is in that position.

Mr. REID.—The Commonwealth could not legislate in regard to the railways of the States.

Mr. BRUCE SMITH.—No; but the right honorable member was for twenty years a member of a State Legislature, and other honorable members have been members of State Legislatures for shorter periods; yet they were willing to allow the railway authorities to absolve themselves from liability for the life of the father of a family or the safe carriage of goods to market.

Mr. LONSDALE.—An Act was passed in New South Wales to lessen the liability of the Railway Commissioners there in the case of accident to passengers.

Mr. BRUCE SMITH.—I believe that an Act was passed limiting the liability of the Commissioners in the event of some great disaster occurring.

Mr. LONSDALE. — Because of the tremendous amount of compensation for which they would otherwise be liable.

Mr. BRUCE SMITH.—It looks as though we were making fish of one interest and fowl of another.

Mr. JOSEPH COOK.—I assure the honorable and learned member that some of us would like to fix the same responsibility on both kinds of carriers.

Mr. BRUCE SMITH.—I am very glad to hear it. All I am contending for now is that we are taking action only in one direction. If the stupendous cost of a collision to the Railways Commissioners of a State be a ground for absolving them from or limiting their liability, surely it should be a ground for absolving or limiting the shipping companies. Take the case of the loss of the *Australia*, a vessel worth £250,000, which was run ashore by an officer of this State, with the result that hundreds of thousands of pounds worth of cargo were destroyed or damaged. Surely such an accident would render the company, if uninsured, liable to enormous damages, which it would be less able to pay than a public body, such as the Railways Commissioners of a State. The Parliaments of the States, in passing legislation to absolve the railway authorities from their liability as common carriers, admitted a principle which is quite contrary to that embodied in the Bill. My reason for speaking now is that the great shipping companies are practically unrepresented here. They are not the constituents of any member. They are not like the fruitgrowers, who are scattered over the country, and can wait on a Minister in reference to a disaster which may have overtaken their small industry, through the alleged negligence of some great company.

Mr. MCWILLIAMS.—Often from actual negligence.

Mr. BRUCE SMITH.—At all events, the shipping companies are not represented here, and, therefore, I ask honorable members not to take a lopsided view of this subject. The House must remember that there are always two parties to these contracts.

Mr. DUGALD THOMSON.—Is it a bad principle that those who have the control should also have the liability?

Mr. BRUCE SMITH.—Have they always the control? When the *Australia* was lost, the vessel was in charge of an officer of this State to whom the company were compelled to intrust their ship. But for the adoption by the Prime Minister of a provision modelled on the third section of the Harter Act, which the honorable and learned member for Northern Melbourne thinks should not be inserted, an incalculable liability would have been thrown upon

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the Peninsular and Oriental Steam Navigation Company in that instance had this measure been law.

Mr. EWING.—There was no negligence on the part of the company's servants in that case, and no action on their part which could have been construed as negligence.

Mr. BRUCE SMITH.—Although the honorable member speaks confidently on the subject, the legal effect of provisions like these is not so easily settled. If I were asked to say what will be the result of passing the Bill, I would reply that it will be to increase rates of freight. Every one who knows anything about commerce is aware that some shipping companies issue two kinds of bills of lading. The Peninsular and Oriental Steam Navigation Company, for example, issues what is called a red bill, and what is called a black bill of lading, the latter containing all the conditions which have been characterized as unfair and inequitable, while the former, which involves slightly higher rates of freight, saves the shipper from a number of risks.

Mr. DUGALD THOMSON.—The rate is very much higher.

Mr. BRUCE SMITH.—No; not much higher. I have made inquiry on the subject.

Mr. MCWILLIAMS.—Has the honorable member read a red bill of lading?

Mr. BRUCE SMITH.—I do not say that red bills of lading throw every liability on the ship-owner, but they place the shipper in an infinitely better position than that which he occupies by accepting a black bill of lading; and I am informed on the highest authority that he can, for an almost infinitesimal extra sum, insure against all the risks which are thrown on the ship-owner by the bill of lading provided for by this measure.

Mr. DUGALD THOMSON.—That is not correct.

Mr. BRUCE SMITH.—My information comes from a Sydney merchant, who is connected with one of the largest merchant shipping companies. He has written to me to say that if a shipper has entered into a contract under a red bill of lading, a very small additional rate would insure him against all risks.

Mr. DUGALD THOMSON.—The difference between the rates of insurance with and without "particular average" is so great that hardly any one insures with "particular average."

Mr. BRUCE SMITH.—I am not speaking of that; I am speaking of the risks taken by the ship-owners on the red bills of lading. Honorable members must recognise that this is merely a matter of price. It is for the ship-owner to say under what conditions he is prepared to carry goods, and for the shipper to say under what conditions he is prepared to make consignments. Where the freight is low the shipper must run greater risks than where it is high.

Mr. MCWILLIAMS.—The freight on fruit shipped from Hobart to London is 100 per cent. of its value, and yet the ship-owners take no risk whatever.

Mr. BRUCE SMITH.—I am speaking of the additional freight which will have to be paid for insuring against the risks which the bill of lading dealt with in this measure will compel the ship-owners to take upon their shoulders.

Mr. WATKINS.—Why should not ship-owners take the same risks as other carriers?

Mr. BRUCE SMITH.—I have shown that the State carriers in New South Wales impose the very same conditions.

Mr. GLYNN.—This Bill does not create any new liabilities, but prevents ship-owners from exempting themselves from their common law liabilities.

Mr. BRUCE SMITH.—The Bill is intended to absolve the shipper from the risks from which the ship-owner has been exempting himself.

Mr. GLYNN.—By exempting himself from his common law liability.

Mr. BRUCE SMITH.—They did that in the United States until the Harter Act was brought into operation. It is ridiculous to suppose that our circumstances in this country are out of the ordinary. From time to time there has been competition amongst the shipping companies, who have reduced their freights, as they have had a perfect right to do, and the result of the lower freights has been that the ship-owners have lessened the number of risks taken by themselves. As a consequence, we have a bill of lading in which certain rates are charged for freight *cum* certain liabilities on the part of the shipper.

Mr. WATKINS.—There has been no competition in the carriage of coal.

Mr. BRUCE SMITH.—We are not talking about coal; but of fruit, butter, and frozen meat.

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Mr. McWilliams.—What responsibilities do the shipping companies take in connexion with the carriage of fruit?

Mr. BRUCE SMITH.—That depends upon their contracts. They can make contracts under which they take no risks, or take all risks. We do not wish to force ship-owners into becoming insurers as well as carriers, because, in the state of society in which we live, these two functions are naturally separated.

Mr. Joseph Cook.—Does the honorable and learned member think that a carrier will take more or less care in the carriage of goods with liability or without it?

Mr. BRUCE SMITH.—I think the effect of this legislation will be that the ship-owner, if competition is not too strong for him, will charge higher rates for the carriage of goods to enable him to insure himself with insurance companies against the risks from which the shippers have been absolved. This case is very much like that of the Irishman, who complained of the shortness of his blanket and got over the difficulty by cutting a piece off the bottom and sewing it on the top. It is a great mistake to suppose that the shippers of the Commonwealth are a downtrodden class who have no choice. Every one knows that thirteen or fifteen large companies, possessing vessels equipped with refrigerating machinery, are competing for the carriage of our produce. Although they may compete among themselves with the result that they keep down freights, some of them will undoubtedly, under legislation of this kind, require the shipper, instead of insuring himself, to pay extra freight, which will enable the ship-owner to insure himself against the increased risk.

Mr. Glynn.—They will not be liable for deterioration of goods from natural causes.

Mr. BRUCE SMITH.—I am not entering into details.

Mr. Glynn.—I thought that was part of the honorable and learned member's objection to the Bill.

Mr. BRUCE SMITH.—At present, I am dealing only with general principles. I am pointing out that if the effect of this measure will be to compel the ship-owner to take from the shipper a sufficiently high rate of freight to enable him to insure himself against the extra risks which are thrown upon him under the Bill, all our time will have been wasted. We had a very good instance of this kind of boomerang legislation in New Zealand lately. Only last week we heard that a Bill of a very drastic character had been passed relating to the closing of shops, and that as a result the prices of the perishable commodities sold in such shops had fallen 50 per cent. It was stated that Mr. Seddon had had to confess that that measure had failed to effect its purpose, and that he was considering the desirability of summoning a special session of Parliament to repeal it.

Mr. Hutchison.—And he has since altered his views.

Mr. BRUCE SMITH.—I have not seen any announcement to that effect, although I have watched the newspapers very attentively. We may rush a measure of this kind through the House, and believe that we are going to confer great benefits upon the community; but before very long it may recoil upon those sought to be benefited, and we may find ourselves in much the same position as we were before, or in an even worse one. I do not know whether the honorable member for North Sydney is aware of it, but I am informed on very good authority that the Harter Act is practically a dead letter, so far as the shipping trade between the United States and Australia is concerned. Notwithstanding the fact that the Harter Act has practically declared void the whole of the shipping conditions which it is here proposed to prohibit, goods are being carried in large quantities from the United States to Australia under ordinary bills of lading.

Mr. Glynn.—I have an idea that some decision was given by the United States Courts to the effect that ship-owners could contract themselves beyond the provisions of the Harter Act.

Mr. BRUCE SMITH.—That may be the explanation. I do not wish to speak at any greater length. The Prime Minister has satisfied me that the Bill will not apply to existing contracts, and that the third clause of the Harter Act in a modified form will be inserted in the Bill. If these two amendments are made, the operation of economic laws will probably bring about results satisfactory to everybody concerned. Neither the ship-owners nor the shippers will be any less free than they are to-day, and I have no doubt that the former will be able to arrange to charge higher freights than at present, and then, with the result of the extra charge, to insure themselves against the risks which the Bill will take off the shoulders of the shippers.

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Debate (on motion by Mr. JOSEPH COOK), adjourned.

House adjourned at 10.40 p.m.

Senate.

Friday, 9 December, 1904.

The PRESIDENT took the chair at 10.30 a.m., and read prayers.

TRANSCONTINENTAL RAILWAY.

Senator STANIFORTH SMITH.—I desire to ask the Attorney-General, without notice, whether the Government will bring on as soon as possible the Kalgoorlie to Port Augusta Railway Survey Bill, so that ample time may be available to honorable senators to discuss it, and vote upon it?

Senator Sir JOSIAH SYMON.—The Bill is set down on the notice-paper for second reading. As soon as possible after the Appropriation Bill and the Papua (British New Guinea) Bill are disposed of, I hope to bring on the measure in question, and I trust that it will be dealt with.

QUEEN VICTORIA MEMORIAL.

Senator STEWART.—I desire to ask the Attorney-General, without notice, whether honorable senators are to be supplied with a copy of the papers which were laid upon the table in connexion with the proposed vote of £25,000 towards the erection of a memorial in honour of the late Queen?

Senator Sir JOSIAH SYMON.—The papers, which are very short, have not been printed. But if my honorable friend desires to have a copy, I hope, through the courtesy of the officers of the Senate, to get one typed for him.

Senator STEWART.—I should like to have a copy.

Senator Sir JOSIAH SYMON.—I shall endeavour to arrange for my honorable friend to have a copy.

Senator STEWART.—I think that the papers ought to be printed.

MAIL SERVICES: ISLANDS.

Senator HIGGS.—In asking the Attorney-General, *upon notice*—

1. How many letters and postal articles were carried from Australia to Vila (New Hebrides), Santa Cruz, and Solomon Islands by the steam-ships of Messrs. Burns, Philp, and Co. during [illegible] r 1903?

2. How many letters and postal articles were brought to Australia from Vila (New Hebrides), Santa Cruz, and Solomon Islands by the steam-ships of Messrs. Burns, Philp, and Co. during the year 1903?

3. How many letters and postal articles were carried to and from the places before mentioned by other steam-ships (British and foreign) during the year 1903?

I desire to explain that I do not expect the Attorney-General to be able to furnish an answer. If I had had more time at my disposal I might have given notice of a motion.

Senator Sir JOSIAH SYMON.—I am very much obliged to my honorable friend [illegible]r the explanation. I was going to suggest to him that it would be almost impossible for us to supply the information in answer to a question. If he will convert the question into a motion, I may be able to treat it as formal business.

SUGAR INDUSTRY.

Senator WALKER asked the Attorney-General, *upon notice*—

In view of the Sugar Bounty Act of 1905 expiring on 31st December, 1906, is it the intention of the Government to appoint a Royal Commission to inquire into and report on the sugar industry and as to the best means for insuring its continuance; or failing appointment of such Royal Commission, will the Government instruct the Tariff Royal Commission to report very fully on the whole subject of the sugar industry?

Senator Sir JOSIAH SYMON.—The Government have the whole subject under their serious consideration, and hope in recess to determine the course they will take.

NEW HEBRIDES.

Senator STANIFORTH SMITH asked the Attorney-General, *upon notice*—

1. Has the attention of Ministers been called to a cable appearing in the morning press of the 7th inst., stating that a special committee appointed by the French Chamber of Deputies has urged that a solution of the present difficulty in the New Hebrides should be found in the annexation by France of the islands, or the establishment of a protectorate over them?

2. Will the Government cable a strong protest to the Home authorities against any attempted infringement of the provision relating to these islands in the Anglo-French agreement signed last March, and ratified by the Parliament of both nations?

Senator Sir JOSIAH SYMON. — The answers to the honorable senator's questions are as follow:—

1. Yes.

2. The Governor-General has been asked to communicate on the subject, by cable, with the Secretary of State.

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BRITISH NEW GUINEA.

Motion (by Senator Walker) agreed to—

That a return be laid on the Table of the Senate showing—

1. The total area of land in British New Guinea that has been alienated by the Crown?
2. The total purchase money received for the land so alienated?
3. The total area of land in British New Guinea that has been sold subject to conditions of improvement?
4. The average price per acre of land so conditionally alienated?
5. Under what conditions and price per acre can land be purchased in Dutch New Guinea, and what is the maximum area of land that any approved selector or person can purchase from the Crown?
6. Under what conditions and price per acre can land be purchased in German New Guinea, and what is the maximum area of land that any approved selector or person can purchase from the Crown?
7. What restrictions at present exist in British New Guinea on the sale or supply of alcoholic liquors to the aborigines of New Guinea?

APPROPRIATION BILL.

First Reading.

Public Business: Sugar Industry: Case of Major Carroll: Naval Defence: Immigration Restriction Act: Insurance and Company Law: Public Service Re-classification: Premiers' Conference: Survey of Western Australian Waters: Military School: Kalgoorlie to Port Augusta Railway Survey Bill: Naval and Military Boards: Perth Post Office: Tariff Commission: Public Works.

Debate resumed from 8th December (*vide* page 8090), on motion by Senator Sir Josiah Symon—

That the Bill be now read a first time.

Senator GIVENS (Queensland).—This is an exceedingly important Bill to grant supply to the end of the financial year, and if it is disposed of without full discussion the Government will be absolutely independent to the Parliament for six months, and can go into recess. They can drop all business if they choose, and the Senate will have no remedy.

Senator McGregor.—The honorable senator is not going to vote against the Bill.

Senator GIVENS.—Of course, I am not.

Senator Fraser.—Would the honorable senator like the Parliament to sit in perpetuity?

Senator GIVENS.—It is our duty to continue to sit until the business of the people has been transacted. I have not the slightest desire to stop the granting of supply, but I desire the Senate to retain control of the public purse until certain measures to which it has devoted much time and attention have been placed on the statute-book. It is exceedingly important that we should have a full opportunity of discussing the Estimates of Expenditure; but it is more important that the Parliament should retain absolute control over public expenditure and the conduct of public events. It should not delegate its powers to any Ministry more than is absolutely necessary. The Appropriation Bill is generally withheld until the last moment, and then we are told that it is necessary that it should be passed straight away, in order that the session may be closed. In view of the fact that on various occasions during the session we have been called upon to wait for long periods upon the convenience of the members of the other House it is not too much to ask of them that they should give us a reasonable opportunity to discuss the Estimates. In its issue this morning the Melbourne *Argus* states that the Trade Marks Bill is to be dropped. The Free-trade organ, which is also to a large extent the organ of the Government, gives the case away when it says that the Trade Marks Bill is an exceedingly useful measure, to which no one would have any objection, which is necessary in the interests of the manufacturers, and which would be passed almost without discussion, but for the fact that it contains a provision in the interests of the trade unions of Australia. According to this sapient journal, the interests of the manufacturers as a whole are to be sacrificed simply because we desire to safeguard the interests of trade unions. Why should the interest of the manufacturers, who are in an exceedingly small minority as compared with the unionists, receive special attention while the interests of trade unionists are to be wholly ignored? It is only from such journals as the *Argus* that we can get an inkling of the intentions of the Government, and the reasons for them.

Senator McGregor.—The Prime Minister made that statement five weeks ago.

Senator GIVENS.—The Trade Marks Bill is acknowledged on all hands to be a very useful measure, and I fail to see why it should be dropped. I believe that if the

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Senate were to give reasonable consideration to the Estimates honorable members in another place would find ample time in which to deal very effectively with that Bill. Again, the Senate has devoted considerable time and attention to the Fraudulent Marks Bill. There can be no measure more important than one to protect the public from fraud. This Bill would prevent goods of one description from being palmed off on the public as goods of another description, yet we are told by the Government that it must be dropped on one pretext or another. It is urged that there is no time available for the consideration of the Bill, as it is the desire of almost every one to close the session. If we take a reasonable time to discuss the Estimates, as it is our duty to do, the members of another House would be afforded ample opportunity to deal with both the Trade Marks Bill and the Fraudulent Marks Bill. It is not right that important legislation which has been passed in the Senate should be dropped, owing to the unwillingness of honorable members elsewhere to do their duty by the electors. On the first reading of this Bill we are entitled to discuss almost any question. I wish to enter my protest against the session being closed prematurely. I have no greater desire than any other honorable senator to sit here all the year round, unless it is demanded in the interests of the people. I think that the public interests do demand that we should continue to sit until important business on the notice-paper in each House has been dealt with. There are several important questions before Parliament upon which the Senate has a right to express an opinion. There is, for instance, the question of preferential trade. An expression of opinion on that subject by another place will not be an expression of opinion by Parliament.

Senator Lt.-Col. NEILD.—There will be no expression of opinion by another place on the subject.

Senator GIVENS.—It is desirable that there should be, though I do not presume to say what that opinion ought to be. If the matter is to be discussed in another place we also should be afforded an opportunity to debate it, because any expression from one House cannot, under our Constitution, be deemed to be an expression of opinion by the Parliament of the Commonwealth, and therefore will not have the value, the importance, the force, and validity which would attach to it if it had the indorsement of both Houses. Another point which I wish to make is that throughout the session the Senate has been ready to run away from its business and its duty.

The PRESIDENT.—Order! The honorable senator ought not to say that. He has no right to reflect on the Senate. He must withdraw the remark.

Senator GIVENS.—I will withdraw that remark in deference to your ruling, sir; but I do say that honorable senators, as a whole, have not been disposed to sacrifice themselves or put themselves to any inconvenience in order to deal with the many important questions on the notice-paper. The Senate has adjourned on various occasions when important business demanded attention. Almost any reason that was put forward was deemed to be sufficient to induce the Senate to adjourn, and honorable senators who objected to these adjournments too frequently found that the interests of private business were sacrificed.

Senator McGREGOR.—Honorable senators who were responsible for private business have adjourned it time after time on their own motion.

Senator GIVENS.—I have nothing to do with what individual senators may have done, but as one who had important private business on the notice-paper I have never adjourned it. I complain that, by the decision of the Senate I am deprived of an opportunity to deal with it. The Senate has no right to deprive me of that opportunity without sufficient cause; and the only good cause would be that Government business demanded the whole attention of the Chamber. There would have been ample time to deal with all the Government business and all the private business if we had not been prepared to adjourn on every occasion when there was an opportunity for so doing.

Senator Lt.-Col. NEILD.—I rise to order. I think that, on reflection, it will be seen that the honorable member is discussing a motion that was debated and voted upon this week, namely, that for the remainder of the session Government business alone is to be considered, and that private business is to be deferred. My point is that the honorable senator is discussing that question again, is arguing that the decision was wrong, and that we ought not to have given up to the Government the time allotted to private business.

The PRESIDENT.—It is contrary to the Standing Orders, and to the practice of the Senate for any honorable senator to reflect upon a vote of the Senate or on any decision unless he is moving that it be

rescinded. I did not hear Senator Givens' words, so I cannot say whether he said what is attributed to him or not; but certainly he ought not to reflect upon any decision of the Senate unless he moves to rescind it.

Senator GIVENS.—I think, with all due respect to your ruling, and to Senator Neild, that I have not transgressed.

The PRESIDENT.—I did not say that the honorable senator had done so.

Senator GIVENS.—I have not reflected upon the decision of the Senate in any way. I have pointed out the effect of the decision, which is that I, and other honorable senators, have been deprived of the opportunity to deal with private business, which we consider to be important. If the Senate had been prepared to meet on the sitting days decided upon some time ago, it would not have been necessary to rush business at this period. Even this week we did not avail ourselves of the opportunity to sit at the times we had formally decided upon. The result is that, at the close of the session, there seems to be a general consensus of opinion that we should rush everything through, holus bolus, without adequate discussion. I can see no necessity for so doing. If honorable senators wish to go home for the Christmas holidays, we can adjourn for a month, or for two months. We have adjourned on previous occasions for far less reason. If public business demands the attention of honorable senators, undoubtedly we ought to come back after the holidays.

Senator McGregor.—What is the use of protesting if the honorable senator will not back up his words by his vote?

Senator GIVENS.—I will back them up by my vote.

Senator Dobson.—If there is a general desire, why should not the honorable senator bow to it?

Senator GIVENS.—A general desire is not always right.

Senator Dobson.—This is democracy!

Senator GIVENS.—While those who are in a minority might be prepared to bow to the general decision, it is incumbent upon them, if they think that that decision is not right, to point out in what respects it is wrong. There are one or two matters of general policy and administration to which I should like to call the attention of the Senate. The first question is a matter of very great importance indeed to the State which I represent. I refer to the policy which the Government intend to pursue in connexion with the sugar industry. That industry is in an unique position as compared with any other industry in the Commonwealth. Whilst other industries are being conducted under legislation which is, to a greater or lesser degree, permanent, the sugar industry is being conducted under legislation which is entirely tentative in character.

The PRESIDENT. — Is there not a notice upon the paper dealing with that industry?

Senator GIVENS.—There is a notice of motion dealing with the sugar industry in a specific direction. I do not propose to discuss that aspect of the question.

The PRESIDENT.—One of the rules of the Senate is that an honorable senator must not debate the same matter twice over. If Senator Givens is proceeding to debate notice of motion No. 2, he is anticipating debate on that motion.

Senator GIVENS.—I do not propose to touch on that aspect of the question. The sugar industry in Queensland, I am pointing out, is being conducted under tentative legislation, which will expire within a limited period. That fact is a very serious bar to the progress of the industry. In fact, it acts as an entire prohibition to enterprise. Both the bonus on white-grown sugar and the excise on sugar will cease in two years' time; and as we have no declaration from the Government as to their intentions at the end of that period, all expansion and all efforts towards increasing the output in the industry have been entirely blocked. Honorable senators who understand the conditions of the sugar industry must be aware that it is scarcely possible for a person who invests capital in it to get any return for at least two years. Owing to the uncertainty as to what may be the law two years hence, enterprise is stayed. I do not think that that is in the interests of the Commonwealth. We have reasonable grounds for asking that the Government shall give us an indication as to their intentions. We wish to know whether they propose to continue the present legislation, or to ask Parliament to modify it, or to adopt some other course. As an illustration of what I say, I may mention that on the Johnston River, which is in Northern Queensland, a large number of land-owners were prepared to launch out in the industry by putting thousands of acres under cultivation, provided they had some assurance that the present conditions

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would obtain. The Queensland Government, in accordance with its policy for the erection of central mills, has promised those growers—has indeed pledged itself to them—to provide them with sufficient money to erect a central mill, costing, say, £40,000 or £50,000, if only the Commonwealth Government will assure them that the present conditions will obtain at the end of the time for which the legislation at present provides. In common with other honorable senators interested, I have been anxious to get an assurance from the Government as to the stability of the conditions, so that growers may be inspired with sufficient confidence to launch out in the industry. The land-owners to whom I refer are prepared to employ entirely white labour, and all they ask is to be allowed to conduct their business under present conditions. The silence of the Government, however, prevents those people from engaging in an enterprise which would have a great effect on the future prosperity of Queensland, and, indeed, on the future prosperity of the Commonwealth. It must be realized that the progress of Australia as a whole depends entirely on the vigour with which industries are carried on in the several States. Before the session closes—before we allow the control of the business to go out of our hands—we are entitled to ask, indeed, to demand, that the Government shall take Parliament and the country into their confidence. In all other industries the legislative conditions are practically permanent. At least two years must elapse before a grower can get a return from any new expansion of business, and, under existing circumstances, those who are prepared at the present time to extend operations are not sure whether they will receive the reward of their exertions. It is absolutely unfair and unjust of the Government to adopt such an attitude. After a grower has cleared his land and planted the cane, he has, although he does not erect machinery, to wait two years before he can reap a crop. The present legislation expires in two years, and the growers have no assurance as to what conditions may then prevail. Men who engage in the industry to-day are taking a leap in the dark—a plunge into an unknown depth. Those are not conditions which should be imposed on the people of the Commonwealth. At present it is not known whether two years hence there will be either bonus or protection; and it is not too much to require some assurance from the Government, who are practically asking us to sign a blank cheque, to use as they please. I should now like to show how the present position of affairs affects growers who desire to erect machinery. Such men are willing to pledge their land, and everything they have with the State Government, in order to borrow sufficient money to erect mills. But the State Government very prudently and properly say, "We cannot afford to lend £40,000 or £50,000, unless we have some reasonable assurance that it will be repaid." Owing to the uncertainty which exists as to Commonwealth legislation, the State Government are not prepared to advance money for this purpose without some assurance as to the intentions for the future. In the absence of any declaration from the Commonwealth Government, there will be prevented an expenditure of £50,000 on sugar mills on the Johnston River, and, further, the planting and cultivation of many thousands of acres of fertile land will not be undertaken, with the result that many thousands of white people will be deprived of the opporunity to earn an honest living. In the interests of the State I represent, and of those engaged in the industry, I emphatically protest against our allowing the control of the finances of the Commonwealth to be taken out of our hands for the next six months, unless we have some idea of the policy of the Government in regard to the sugar industry. I do not desire to trespass on the rules of the House, or on the patience of honorable senators, by referring to the notice of motion I have already given—that deals with an alternative scheme, which I do not desire to discuss now. Whether the scheme I have suggested, or some other scheme, is adopted, the vested interests bound up in the industry in Queensland, and, to a lesser extent, in New South Wales, should not be sacrificed owing to a fear of the Government that if they declare their policy it may raise some little opposition; and, to my mind, there can be no other reason. If the Government ask the people for a mandate to govern, the people are entitled to know the policy of the Government. The present uncertainty is causing a great deal of dissatisfaction from one end to the other of Queensland, not to speak of the loss in wealth production, caused by a disinclination, not only to launch out, but to maintain present activity in the industry. Whether the decision of the Government be adverse or favorable the people have the right to know what it

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is. Then I should like to refer to the kind of officers appointed under the Act, and to the manner in which the law is administered. Such a law, to insure success, requires sympathetic administration, and the officers appointed should be men in whom we have the utmost confidence that they will prevent the law being evaded or discredited. In this connexion I am not blaming the present Government particularly; all the other Governments, including that of the Labour Party, have been equally guilty. The Government have not taken care that the officers appointed were in sympathy with the legislation, and could, therefore, be relied on for its proper administration. There are positions in connexion with such legislation which it is exceedingly important should be occupied by those in sympathy with its objects. Officers, who are called Cane Inspectors, are appointed for the season in order to see that no cane sent to the mills as white grown has been grown by coloured labour; that all the conditions are properly complied with, and that no evasion of the law or regulations takes place. At various times I, with other representatives of Queensland, recommended to the Government and heads of the Department that the officers should be in sympathy with the White Australia ideal, and with the Commonwealth legislation to that end. It is unreasonable to expect good results from officers who are not in sympathy with the legislation, but, as a matter of fact, are totally opposed to it. No man, in his private business, would allot to an employé duties, to the performance of which that employé was utterly opposed. I do not say that in every instance the men appointed were not the best for the position, but I have personal knowledge of the fact that in some cases they were not only not the best men for the positions to which they were appointed, but in many respects the very worst who could have been selected. The excuse put forward for these appointments by various Governments and heads of Departments is that they were not made by the Government, by the Public Service Commissioner, or by the Comptroller of Customs, but by the Sub-Collector of Customs at Brisbane, who was not interfered with in any way whatever. It has on several occasions been pointed out to the Government and to the Comptroller of Customs that the appointments to which I refer were not satisfactory, and that the men chosen were not the best for the position, yet no action has been taken, and men continue to be appointed to these positions who are totally opposed to the idea which is the foundation of our legislation. They are men who are not only passively, but actively, opposed to the White Australia legislation which has been passed by this Parliament. They are even the greatest enemies to that legislation that it is possible to find in the districts in which they live. How can we expect honest administration of that legislation when it is placed in the hands of men who are its bitterest opponents? It is curious to note that whereas almost the whole of the representatives of Queensland in the Federal Parliament have recommended men for these positions who were in every way suitable, so far as I know their recommendations have not been accepted in a single instance. Yet the officers of the Department have had the unblushing effrontery to say that in one case they appointed a man on my recommendation. They have said that they would not appoint any man on the recommendation of a member of Parliament, and yet in this case they claim to have appointed this man on my recommendation.. As a matter of fact, they did not appoint him on my recommendation. I refer to the matter here in order that the methods pursued by the Department may be placed on record. One man appointed to one of these positions—I shall not mention the name, because I have no desire to bring the man into undue prominence, or to do him injury in any way—was appointed over the heads of half-a-dozen first-class men, whose names were submitted to the Department by Mr. Bamford, the honorable member for Herbert, and by myself. We asked what it was that induced the Department to appoint men whom we knew to be totally opposed to the whole idea of our White Australia legislation? To my intense surprise, I received a reply to the effect that the Department appointed a particular man on my recommendation. I demanded an explanation, and the officers of the Department had to climb down. They found, when they went into the matter, that instead of having recommended the man, I had given merely a certificate recording my impression with regard to his health, and that was given before I became a member of the Senate. The facts are these: This man came to me, and asked me to recommend him for the position. I absolutely refused to do so, because I thought that he was unfit for this position, though he might be

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a first-class man for some other appointment. He pleaded with me, and begged that if I would not sign the general recommendation, I should sign the certificate with regard to his health. Honorable senators will find that persons desiring to enter the Commonwealth service are required to fill up a general statement with respect to their qualifications, character, health, and so on. I refused to sign the general recommendation for this man, but, in response to his pleading, I signed the statement with regard to his health. My recommendation as to his health could be of no great value, because I do not pretend to be a medical man.

Senator DRAKE.—What was his object in getting that recommendation from the honorable senator?

Senator GIVENS.—I do not know.

Senator DRAKE.—What was the honorable senator's object in giving it?

Senator GIVENS.—I do not think that I should have been justified in refusing to state my opinion in regard to his health. Let me inform the Senate of the use which was made of that health certificate, because that will give some indication of the man's object in getting it from me. It was used by him, and subsequently by the Department, as though it were a general recommendation from me. It was only after the officers of the Department were forced to explain their position that they admitted that it was only a health certificate. They now admit that they made a mistake, and agree that I did not intend to give this man a general recommendation. The fact that I refused to sign any one of the paragraphs in the form of general statement, with the exception of that dealing with the man's health, should have been an indication to any intelligent official that I did not consider the man a fit and proper person for the position. The Department, after ignoring the strong representations made by Mr. Bamford and myself as to the best men for these positions, appointed a man in no way fitted for the position, and gave as an excuse the statement that he was recommended by me, when it was known that I had merely given him a certificate as to my impression of his health. Could anything have been more barefaced? When this explanation was given to me, my indignation knew no bounds, because I saw that the certificate which I had signed was being used by the head of the Department to shelter himself. I must say that all Governments are equally guilty in this matter. I have fault to find even with the Labour Government in this respect, because some of these appointments were made while the Labour Government was in office. What I complain of in this matter is that Governments allow the control of departmental business to get entirely out of their hands in order to save themselves trouble, and to escape responsibility. They allow these matters to be controlled by the heads of the Departments, but they are responsible for carrying out the express will of Parliament, and they cannot shelter themselves behind any departmental officer. It is their duty to see that the heads of Departments are in every way fitted to have charge of the matters intrusted to them, and if the head of any Department acts in a way which is inimical to the intentions of Parliament, the Government must be held responsible for informing that officer that he must do his duty, and that it is his duty to carry out the intention of the legislation passed by this Parliament. The appointment of the bitterest enemies of our White Australia legislation, to see that its regulations are carried out to secure the cultivation of sugar by white labour, is entirely inimical to the best results being obtained. I think there is reasonable ground for complaint in this matter, and I personally have reasonable ground for complaint, when the Department has sheltered itself behind the plea that one of these men was appointed on my recommendation.

Senator PULSFORD.—Is not the honorable senator making a great deal of that little incident?

Senator GIVENS.—I am not making one whit too much of that little incident. The Department, as a matter of fact, ignored my strong recommendations in favour of men who were, in every way, qualified to carry out the law, and not my recommendations only, but those of Mr. Bamford and other representatives of Queensland. I do not blame the Department for passing over the recommendation of any member of Parliament, provided that equally well qualified men are appointed to the positions. My object is to see that the men appointed to these positions are men whom the country can trust to see that the legislation of this Parliament is carried out in its entirety. We must appoint men who are in sympathy with our legislation, and not men who are its bitterest opponents. I do not blame this Government more than any other. It has been a general mistake in

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administration, and I hope that as a result of my remarks to-day it will be rectified in the near future.

Senator HIGGS (Queensland).—I wish to bring an important matter under the notice of the Senate. The other day I asked the Attorney-General the following questions:—

1. Was the following letter written by direction of Major-General Hutton, late General Officer Commanding the Military Forces of the Commonwealth:—

"Military Forces of the Commonwealth,
"Head-Quarters, Melbourne, May 27, 1903.
"Captain and Hon. Major J. W. M. Carroll,
"Retired List.

"Sir,—With reference to your letter of the 14th inst., I am desired by the General Officer Commanding to inquire whether you are prepared, in the event of being placed on the Unattached List as requested, to refund the gratuity awarded you on retirement. I have the honour to be, Sir, Your obedient Servant,

"J. C. Hoad, Colonel,
"D.A.G. and C.S.O."

2. Were the contents of this letter brought under the notice of Major-General Sir Edward Hutton before the letter was forwarded to Captain and Hon. Major J. W. M. Carroll?

I received the following reply:—

In the absence of Major-General Hutton, it is not possible at present to satisfactorily answer this question. If the honorable senator desires, the Minister will communicate with the Major-General on the subject.

That was not a very ingenuous reply, though it is possible that the Attorney-General was not responsible for its wording. Perhaps it would have been better if I had asked the Minister of Defence, through him. I consider that the answer is an evasion, because, if the Minister of Defence had been acquainted with the evidence given by Major-General Hutton before the Select Committee on the case of Major Carroll, he would have known that the Major-General denied having instructed Colonel Hoad to write that letter.

Senator Drake.—Where was the necessity for asking the question, then?

Senator HIGGS.—This letter has an important bearing on the case of Major Carroll.

Senator Drake.—The honorable senator has had the answer already.

Senator HIGGS.—We had the answer from one side—that is, from Major-General Hutton. If Senator Drake will turn to page 38 of the report he will see the following evidence by Major-General Hutton:—

436. *By Senator O'Keefe.*—That report is dated 12th November, 1902?—Yes.

437. On the 27th May, 1903, a letter was sent to Major Carroll stating that you desired to know whether, in the event of his being placed on the unattached list, he would be willing to refund the gratuity which he had received. What have you to say regarding that matter?—That communication was sent in reply to a letter from Major Carroll asking that he might be placed on the unattached list.

438. If an officer was so unfitted for his position, would it not be a strange proceeding to place him on the unattached list in consideration of his refunding a gratuity?—The letter in question was not sent by me. The officers of the Head-Quarters Staff knew very well that it would be useless to lay such a communication before me until they had ascertained whether Major Carroll was willing to refund the gratuity. I repeat that the letter was not sent by me. It was forwarded without my knowledge, and to ascertain whether Major Carroll was prepared to hand back the gratuity which he had received.

The Major-General saw the hole he was in.

Senator Drake.—Read the next question.

Senator HIGGS.—

439. Then why does the letter read, "I am desired by the General Officer Commanding," &c.?—That is the usual method adopted in the official correspondence at Head-Quarters.

440. You knew nothing at all about that communication?—No. I had no intention of restoring Major Carroll to the unattached list, because that would have meant I contemplated his re-employment.

The question asked by Senator O'Keefe was a very pertinent one. Major-General Hutton was in a fix, and he took refuge in a most inaccurate statement. I have the best of reasons for believing that he did instruct Colonel Hoad to write the letter.

Senator Playford. — Why did not the Select Committee examine Colonel Hoad on the point?

Senator HIGGS.—Because he was absent in Japan. The reason why I put that question to the Attorney-General was not to seek Major-General Hutton's answer, because it was already available, but to get Colonel Hoad's answer. I have given notice of a series of questions on the subject for Tuesday next. I hope the Minister of Defence will ask Colonel Hoad whether he wrote that letter under an instruction from Major-General Hutton, and also whether the latter knew of or saw the letter before it was sent to Major Carroll.

Senator Givens—Was not all the other evidence taken on oath?

Senator HIGGS.—Yes.

Senator Givens.—Then Colonel Hoad's evidence ought to be taken on oath.

Senator HIGGS. — I see every reason why Colonel Hoad should be called upon to make an affidavit. If he did write the letter, according to Major-General Hutton's instruction, then the latter committed perjury, and that fact ought to weigh very heavily with the Ministry when they are

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taking into consideration the resolution of the Senate in regard to Major Carroll. Owing to the late period of the session, it is not possible for me to defer the consideration of this matter. I have heard some honorable senators express a hope that the Parliament will rise to-morrow night. I do not know whether there is very much hope of that being done, but I shall have very little opportunity of bringing this matter before the Senate again. I do not believe that Colonel Hoad would undertake to write such a letter without receiving an instruction from the General Officer Commanding. The whole military training and discipline of the Forces is contrary to such a proceeding. To say that this is the usual method adopted by officers in the Department when replying to a letter is to distort the practice. Perhaps in the case of a formal reply, an officer might write, "I am directed to acknowledge the receipt of your letter." In this case, an important command was given by the General Officer Commanding to make inquiries of Major Carroll as to whether he was prepared to refund the gratuity, and if he had replied in the affirmative, I venture to think it would have devolved upon the General Officer Commanding to restore him to the Unattached List at once. Here was an invitation from the General Officer Commanding to Major Carroll.

Senator DRAKE.—Is there not something more on that point in the evidence?

Senator HIGGS.—There may be.

Senator DRAKE.—I think it is stated somewhere that it was not to be implied that it was an actual promise to put him on the Unattached List if he was willing to hand back the £100. Clearly he could not have the gratuity and be on the Unattached List too.

Senator HIGGS.—Major Carroll received £100; but he replied to this effect, that he would be willing to refund the gratuity if they would restore his employment. The point is that Major-General Hutton, who challenged the finding of the Select Committee, made a sworn statement that he did not give an instruction to an officer to write a certain letter. Colonel Hoad in his letter uses the words, "I am desired." If he wrote the letter without an instruction, he has no right to be continued in the service.

Senator GRAY.—Would the honorable senator make the punishment so severe?

Senator HIGGS.—Does not the honorable senator see the position it places the Department in? The moment that Major Carroll agreed to refund the gratuity, he had a right to be restored to the Unattached List, and if he were restored to the Unattached List, that fact would go to prove that a long series of statements concerning him were inaccurate. I think I have said sufficient to show that the Ministry should not attempt to evade this question any longer, and should ask Colonel Hoad if he wrote the letter under an instruction. We have a right to be acquainted with his reply before the close of the session. I think he ought to be called upon to make an affidavit.

Senator WALKER.—Had Colonel Hoad any senior officer over him except the General Officer Commanding? The phrase "I am desired" may refer to some other person than Major-General Hutton.

Senator HIGGS.—As the letter states, Colonel Hoad was the Deputy Adjutant-General and Chief Staff Officer. I do not think that there was any officer between Major-General Hutton and himself.

Senator WALKER.—The honorable senator does not think that the Minister might have desired Colonel Hoad to write the letter?

Senator HIGGS.—I do not think so. I hope that the Ministry will have this very important point concerning Major Carroll cleared up. I venture to think that it will largely influence them in determining when they will find a convenient date at which to favorably consider his case.

Senator PULSFORD (New South Wales).—There are several matters of great public importance that the Ministry might with advantage consider during the recess. One is the Naval service. While I was one of those who voted for the increase of the sum paid to the British Government for Australian naval defence, I also expressed the opinion that we ought not to be content with that as the full extent of our effort towards the naval defence of Australia. I express the opinion—and I ask the Government to pay some attention to it during the recess—that it is desirable that something should be done to provide for the naval defence of Australia in case of war, and in the event of the taking away of the vessels towards which we at present contribute. Something should be done in the direction of purchasing torpedo or submarine vessels, or ships of a light character, the cost of which would not run into a heavy sum, while the ships would be able to do a good deal to assist in the defence of

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Australia if trouble arose, and the principal warships were removed to a distance. Then, I should like to say a few words with regard to the Immigration Restriction Act, and the Postal Act as it affects coloured crews. I am very glad that since the present Ministry came into office, they have seen their way, within the limits of existing legislation, to lessen somewhat the extreme rigidity of the administration with regard to the admission into Australia of travellers and people from India and Japan engaged on business.

The PRESIDENT.—Is not the honorable senator now discussing his own notice of motion No. 4?

Senator PULSFORD.—I am afraid, sir, that you have caught me napping.

Senator STANIFORTH SMITH. — These notices of motion are two-edged swords.

Senator PULSFORD. — I am afraid so. I shall have no opportunity to move my motion, and I desired to make two or three remarks on the subject, but I will pass it by with the expression of the hope that the Government will be able during the recess to move a little bit further in the direction in which they have commenced. I also ask the Government to consider whether they cannot, with advantage to the public, when Parliament meets again, introduce measures with relation to insurance and company law. The laws of the various States require to be amalgamated. Discrepancies exist at present. It is difficult, for instance, for the head office of a company established in one State to be removed to another State. In that direction there is need for legislation. There is also need for legislation in regard to insurance. At present Australian companies are under a good deal of disability in competition with outside companies. Outside companies are able to establish agencies in Australia by the mere grant of a power of attorney to a representative or agent. Under such a power of attorney business is conducted. Several cases have occurred recently, in which, after a cover for risk has been given, and after a loss has taken place, payment has been refused on the ground that the risk was one which was excluded by the terms of the power of attorney held by the agent. I know of one case in particular in which that has taken place in regard to a risk of £2,000, which it was said was excluded by the terms of the power of attorney held by the agent. That repudiation has been held to be good, and I understand that the company—which, I am sorry to say, is British—defies anybody to make public comment upon the facts by threats of actions for libel. There is another matter in connexion with insurance which ought to be considered. That is the position of foreign insurance concerns, and the way in which business has been pushed in connexion with what are known as assessment companies, principally Canadian; the position of insurance business in this direction is in need of legislative treatment; and there is also need for the amalgamation of the States laws in regard to insurance in the Commonwealth. Only two or three months ago a Queensland Judge spoke in very severe terms of the action of a company established in another State—I believe in New South Wales—in repudiating some liability under a life policy, on the ground that their Queensland agent had gone beyond his instructions. Here, again, is an opportunity for some useful Commonwealth legislation. I trust that when Parliament resumes next year, we shall have before us some measures such as these, which perhaps may not be gaudy in appearance, but will yet serve a very useful purpose.

Senator PEARCE (Western Australia). —I trust that the Government do not intend to try to force the Appropriation Bill through to-day. The first reading only should be taken, and then we should have time to look through the schedule. We have seen the schedule only to-day.

Senator DRAKE.—Honorable senators have had the Estimates for some time; and the schedule is based upon the Estimates.

Senator PEARCE.—We have not had time to go into the items. The Government might very well postpone the Committee stage until next week to give us an opportunity to look through the schedule. The first question to which I wish to direct attention is that referred to by Senator Pulsford. That is the decision of the Government to weaken the administration of the Immigration Restriction Act. I take quite the opposite view, and think that the Government are making a great mistake. It is proposed, under certificates, to allow Indian merchants and others to come into Australia, and remain for varying periods. I say that, whether the Asiatic is a merchant or a labourer, does not affect the question from my point of view. I object to him, not merely because he is a working man, or an employer, but because he comes of a

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race whose contact with the white race results in the deterioration of the latter.

Senator PULSFORD.—Will it hurt a white man to look at an Asiatic?

Senator PEARCE.—The contact of Asiatic races with white races is inimical to the whites. If they are allowed to remain in the Commonwealth for twelve months, it will be a direct breach of the provisions of the Immigration Restriction Act.

The PRESIDENT.—The honorable senator will recollect that I stopped Senator Pulsford when he was referring to that subject.

Senator PEARCE.—I understood you to stop him from discussing the question of coloured crews on mail steamers.

The PRESIDENT.—No; what I stopped him from discussing was the question embodied in a motion which stands upon the paper to the effect that in the opinion of the Senate it is desirable to make an alteration in the Immigration Restriction Act, so as to make it less offensive to Asiatics.

Senator PEARCE.—I am dealing with the administration of the existing law.

The PRESIDENT.—Senator Pulsford gave way.

Senator PEARCE.—He was discussing the advisableness of amending the law. I wish to deal with the administration of it without any regard to its amendment or repeal. I do not think that any honorable senator ought to be allowed to stop another from criticising the administration of the Government by putting a notice of motion on the business-paper.

The PRESIDENT.—The standing order says that an honorable senator cannot anticipate debate on a motion. This is rather a large question, because if honorable senators can discuss a notice of motion or an order of the day before it is called on, then Senator Neild can discuss the Parliamentary Evidence Bill or his charges against Major-General Hutton, and Senator Dawson can discuss the State of Ireland at this stage. If I permit the rule to be infringed, and allow notices of motion which are on the business-paper to be discussed on the Appropriation Bill, the whole of the questions which are on the paper might come under review at this time. I do not think that that would be a desirable state of affairs.

Senator PLAYFORD.—Honorable senators ought not to be allowed to put notices of motion on the business-paper in order to prevent us from discussing questions of administration.

The PRESIDENT.—If notices are put upon the paper, the presumption is that they will come on for discussion. I admit that the notices now on the paper have very little chance of being discussed during the present session, and that therefore the rule operates rather hardly. But still we have adopted Standing Orders, and I have to carry them out.

Senator PLAYFORD.—A good deal of latitude is always allowed on the Appropriation Bill.

The PRESIDENT.—Not to discuss matters which are on the notice-paper.

Senator PEARCE.—I was not discussing Senator Pulsford's motion.

The PRESIDENT.—Perhaps the honorable senator may be right.

Senator PEARCE.—I wish to discuss the administration of existing legislation by the Government. The spirit of that legislation is that it shall be administered in the direction of preventing Asiatics from coming to Australia. But the Government propose to administer it in such a way as not to stop Asiatics from coming here, providing they give an undertaking to leave Australia at a certain date.

Senator DRAKE.—That applies to a very limited class.

Senator PEARCE.—It was never contemplated by Parliament in passing the law that it was only to apply to working-class Asiatics.

Senator DRAKE.—It is a question of whether a man is going to stay here.

Senator PEARCE.—Senator Drake refers "to a limited class." What is that class? The merchant class.

Senator DRAKE.—That is not the reason; it is because they come and go.

Senator PEARCE.—That is the effect; we have not to deal with reasons. A large class of merchants, traders, and students are to be exempt, and I protest against the exemption as a negation of our legislation. I know it may be said that a proposal of the kind was initiated by the Watson Government, but, if that be so, that Government is equally culpable and mistaken as to the meaning of the legislation. I have asked for a *précis* of the correspondence on the subject, and, pending its receipt, we cannot speak with accuracy, but I urge the Senate to insist on the legislation being carried out in its entirety and its true spirit.

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Senator Pulsford.—Do not make Australia more black than she is in the eyes of others.

Senator PEARCE.—It is the honorable senator, and others with him, who, by misrepresenting this legislation, paint Australia more black—who, in their public utterances, give quite an erroneous idea as to the meaning of the legislation and the intentions of the Commonwealth. Another matter I should like to deal with is that of the reclassification scheme of the Public Service. We have appointed a Public Service Commissioner with high powers, and he has drafted a scheme which affects the finances of the Commonwealth. I ask honorable senators to remember that to this officer we have practically handed over the spending power, so far as the Public Service salaries are concerned.

Senator Playford.—That is what I said was a mistake when we were passing the Bill.

Senator PEARCE.—That is so. I voted with Senator Playford against the appointment of a Public Service Commissioner, and I do not regret my action. In looking through the scheme, I notice a pertinent and significant fact. In a large number of cases increases of salaries have been granted, and in nearly all, the salaries of the higher-paid officers are those affected. I am not prepared to say that those increases are not justified, because, in my opinion, capable men ought to receive good remuneration. It is significant, however, that the increases are in the higher branches of the service. Another alteration of importance is in reference to the district or tropical allowances previously given to officers stationed in the more remote parts of the Commonwealth. The Public Service Commissioner has deemed it his duty to interfere with those allowances in a very arbitrary manner—so arbitrary that in Western Australia there has been evoked a very strong protest from the public servants. The Western Australian public servants do not ask to be placed in any better position than that they occupied prior to the inauguration of the Commonwealth, but they point out that the conditions of living have not changed since then, and urge that the allowances form part of their accrued rights as States servants. The Public Service Commissioner has not increased their salaries, but he has severely cut down the allowances in the distant parts of Western Australia, and, I believe, of other States. The Government, who are responsible for the adoption of the report of the Public Service Commissioner, should have very good reason before they allow the recommendations to be carried out. Every consideration should be shown to such officers, in order that they may be encouraged to take up duties in those remote districts.

Senator Staniforth Smith.—No doubt a great injustice has been done to many Western Australian public servants in this matter of allowances, especially in tropical and distant parts.

Senator PEARCE.—I have here a letter dated 30th August, 1904, conveying the opinions expressed at a joint meeting of the Public Service Associations of Western Australia. This letter takes the form of a memorial, which has been presented to the Public Service Commissioner, and it contains the following:—

Perth, 13th August, 1904.

The Commonwealth Public Service Commissioner,
Melbourne.

Sir,—

This meeting of Commonwealth officers of the State of Western Australia (held in Perth on 30th July last, adjourned to the 6th inst., and again to the 13th inst.), desires to express its steadfast loyalty to the Government and people of the Commonwealth, and to draw attention to the dissatisfaction which exists in all Departments of the Public Service with the classification, as it affects officers in this State. In doing so, we readily admit that any scheme that may be proposed is bound to be unacceptable to some, but a scheme which causes dissatisfaction to all classes and grades of officers must, we respectfully submit, have some serious defect in it.

We claim that the duties we are called upon to perform are just as onerous, the responsibilities as great, and the amount of labour per officer as large as in any other State of the Commonwealth, and that the classification for similar work and responsibility in the higher positions should be the same. For example—certain Customs officers of similar designation are placed in higher classes in the Eastern States than in Western Australia.

We feel, notwithstanding the fact that allowances are made to officers outside the more settled districts, that you, sir, have not fully realized the exceptional conditions obtaining in Western Australia in regard to the cost of living. We are astounded at the recent reduction in the goldfields and kindred allowances. We submit that not merely is living on the goldfields and in the remote parts, reckoning in the allowances, not as desirable is in the metropolitan area, but that living in the central districts is not nearly so cheap as in the Eastern States. We estimate that the actual cost of living and rent in the cheapest part of Western Australia is 25 per cent. higher than in the Eastern cities. We understand that you have been supplied with evidence in support of this, but we undertake to produce further evidence if considered necessary.

The cost of living at the various mining, tropical, and remote stations is excessive, and as it has been stated in your report that these conditions

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would constitute the basis of allowances, we ask that further consideration should be given to this matter, and that all Western Australian officers should be brought under the operation of Regulation No. 168, recognising that as the conditions became more equal the allowances should be correspondingly reduced. Many officers here would gladly exchange £200 per annum for £160 per annum in the Eastern States. Any facilities in this way which could be thrown open would be eagerly seized.

The imposition of uniform remuneration presses hard on officers under £160 per annum, especially married men. A good percentage of letter-carriers, sorters, linemen, and assistants are married with families, and their condition on salaries of £120 and upwards is one of poverty and suffering. High rents drive them to live a long distance from their work; dear food compels them almost to abstain from meat and fruit; long irregular hours and excessive heat in the summer make the conditions of employment very hard; while the small salaries expose the wives and children to privations and risks injurious to health, even to the sacrifice of life for want of proper care and skill in emergencies.

It is recognised by the General Division that the lines of promotion as indicated in your diagram are satisfactory, but they wish to urge that the pay is too low, and the prospects of advancement too slow under it. The salaries of artisans are lower than those paid by the State under its industrial agreement. The whole of the Mail Branch is placed in the General Division, and, considering the importance and volume of the work performed, we consider that the highest salary obtainable is altogether inadequate, and the salaries in the lower positions correspondingly low. We are also of opinion that the supervisory positions should be open to the officers of the General Division.

The public servants of Western Australia urge, in conclusion, that the matters referred to should be inquired into by the Commissioner. I take this opportunity to lay this memorial before Parliament, because I do not think we ought to give up our right to deal with the finances of the country to any one individual, no matter how astute or clever he may be. Another matter to which I desire to refer is the proposed Conference of States Premiers and Treasurers. I do not regard that proposal with the admiration, nor give it the commendation which a great many people extend to it. It seems to me that a tendency is growing up, largely fostered by the press of Australia, to believe that if a man is a member of the Federal Parliament, it is clear proof that he is incapable of dealing with public affairs, but that, if he is a member of a State Parliament, especially if he is a State Treasurer, it is equally clear that he is a heaven-born financier.

Senator MATHESON.—They all think that of themselves, at any rate.

Senator PEARCE.—That idea is largely fostered by the Federal authorities. For instance, I find that a number of the subjects suggested for discussion at the proposed Conference are subjects with which it is the duty of the Federal Parliament to deal—matters of legislation which were, by the Constitution, taken out of the hands of the States.

Senator FRASER.—There is no harm in those matters being talked over with the States representatives.

Senator PEARCE.—There is harm, because it fosters the idea that the Federal Parliament is dependent in some way on those States Premiers and Treasurers. We know that those very men cover up their own delinquencies and short-comings, whenever public attention is directed to them, by hounding down Federation.

Senator MATHESON.—Look at the way in which Gardiner, after the last Conference, abused Turner!

Senator PEARCE.—He is only a type of all the officers. The Treasurer of South Australia, when face to face with a balance-sheet which showed a deficit, commenced to abuse Federation, and to howl about the excessive cost of the Federal Government. Then we find the Premier of Victoria talking about what he would do with "those Federal coves," or "those Federal chaps," and using other language of not a very high intellectual order.

Senator FRASER.—Apparently "the Federal chaps" have not inspired confidence in the States.

Senator PEARCE.—Let those men abuse Federation and the Federal Parliament as they like; but I object to give them prominence over members of this Legislature. I object, before action is taken on matters in regard to which we are given powers to legislate, to go "cap in hand" to them and say, "Do you think we can afford to pay old age pensions—will you permit us to use the money of Australia for that purpose; and have you any objection to our establishing a Department of Agriculture?"

Senator FRASER.—We could not deal with old age pensions without consulting the States.

Senator PEARCE.—We have absolute power to deal with old age pensions.

Senator FRASER.—But how could we raise the money?

Senator PEARCE.—We have full powers of taxation.

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Senator FRASER.—On land and houses, I suppose?

Senator PEARCE.—We have full power, and, of course, we could impose a land or income tax. I feel sure that Senator Fraser would welcome a further instalment of the income tax.

Senator FRASER.—It is understood that the Federal Parliament shall confine its powers of taxation to the Customs.

Senator PEARCE.—That may be an understanding amongst certain gentlemen who do not desire direct taxation of any kind, but there is no such understanding amongst the people, who, I hope, will take the first opportunity to see that some of those big financial institutions, with which the honorable senator is connected, pay their fair share of taxation—a share which at present they do not pay through the Customs House.

Senator MATHESON.—That is, to see that those institutions pay a fair share along with every one else.

Senator FRASER.—Make the big institutions pay! Never mind any one else!

Senator PEARCE.—The big institutions ought to be called upon to pay their fair proportion, and, if they are, the New Zealand Loan Company will contribute substantially. In handing over a portion of the powers of this Parliament to the States' Premiers and Treasurers, we are encouraging those gentlemen in their tirades against the Federal Legislature—we are encouraging the belief, already so sedulously fostered by the press of Australia, that only they can deal with questions involving financial considerations. I object to this or any other Federal Government consulting an unauthorized body on questions in regard to which this Parliament ought to be consulted. We must take the responsibility of financing such schemes as are suggested.

Senator FRASER.—But have we not encroached on the States domain?

Senator PEARCE.—We have not, and could not do so.

Senator FRASER.—Did we not encroach when we placed railway servants under the Conciliation and Arbitration Bill?

Senator PEARCE.—If we have encroached in that matter, the High Court will prevent any action being taken under the Bill. But they can encroach on our domain if by our action we hand over our powers to them. If the Government of the day, instead of consulting this Parliament, will consult the States Premiers and Treasurers, and be bound by their decisions, we shall be handing over our rights to them, and giving them the power to shape our legislation. I say that we should not consult the States Legislatures on subjects with which we have full power to deal. I wish to impress on the Government the necessity for proceeding as soon as possible with the survey of the north-west coast of Western Australia. I think we had a promise from the Attorney-General that the Government would place themselves in communication with the Admiralty on the subject. I understand that no reply has yet been received, but that a survey boat is now on the way out here, which could be made available. I, therefore, ask the Government to press upon the Admiralty the importance of getting this boat at an early date to conduct this survey. Our trade with the Far East is increasing, and at the termination of the war between Russia and Japan it is probable that it will increase with great rapidity. This coast is practically unsurveyed, and as several wrecks have occurred, it is getting a bad name as being very dangerous, and high insurance risks are charged in consequence. I think that the Admiralty will need but very little pressure to send a boat to do this very necessary work. There is one other matter with which I desire to deal. I refer to the way in which this House is treated by the Government—I do not complain of the present Government in particular in this connexion. There is a very important subject which is now stirring the minds of people to some extent, that of Preferential Trade, and, as an indication of the way in which the Senate is treated, we find that whilst in another place an honorable gentleman has been given an opportunity to discuss the question, in the Senate no such opportunity is given. A motion on the subject has been given notice of here, but no promise has been made that an opportunity will be afforded to deal with the question. That is characteristic of the treatment meted out to the Senate on every occasion. We are unable to secure from the present, as we have been unable to secure from previous Governments, the same facilities for dealing with public questions as are given in another place. I contend that the Senate, as a legislative Chamber, can express the opinion of Australia on the important question to which I refer, as well as on other questions, and we should be given equal opportunities with another place for the

discussion of matters of importance to the Commonwealth. I trust that the Government will endeavour to set a better example than has been previously set in this matter, and that on all these questions they will give, in this Chamber, equal opportunities to those given in another place for the discussion of questions of public importance.

Senator GRAY (New South Wales).—I wish to ask the Government to give due attention during the recess to two matters connected with the defence of the Commonwealth, which I consider to be of very great importance. I hope they will make all necessary inquiries as to the advisability of establishing a military school on similar lines to those established at Sandhurst, in England, at West Point in America, and in Japan. Every military authority emphatically indorses the view that these schools or universities for higher education in military subjects are of inestimable value to the military establishments of the various countries in which they are to be found. In England and in America, a practice has grown up of placing lads leaving school or college in these military institutions, with the object of fitting them for a military career, just as lads are apprenticed to any other profession or business. Families desiring that their sons shall follow a military career find in these schools the means of enabling them to acquire proficiency in their profession, and the result is found to be to greatly improve the *morale* of the Military Forces. I have no hesitation in saying that the establishment of these schools would be of great value to the military system of Australia. The second point to which I think attention should be directed is that every care should be taken to see that adequate provision is made for all repairs which may be necessary in connexion with the naval defence of the Commonwealth. I take, for example, a plant such as that at Mort's Dock, in Sydney, and I suggest that there, or in similar works elsewhere, the Government should be assured that they will have at hand every appliance necessary for repairs required in connexion with our naval defence.

Senator Sir JOSIAH SYMON.—The honorable senator suggests that those docks should be made available?

Senator GRAY.—I suggest that the Government should be assured that there are appliances in those docks which can be made available for all repairs required by the Naval Department. Considering that we are 13,000 miles away from Great Britain, and can never know from day to day what emergencies may arise, it would be absolute carelessness on the part of the Commonwealth Government if they did not assure themselves that adequate provision was at hand for the execution of naval repairs. In my opinion, the matters to which I have directed attention are essential for the defence of the Commonwealth.

Senator MATHESON (Western Australia).—I wish first to touch upon the anxiety which honorable senators from Western Australia feel in connexion with the Kalgoorlie-Port Augusta Railway Survey Bill. There has been a rumour—though whether it is well founded or not I cannot say—that as soon as the Appropriation Bill is passed, Parliament will be prorogued, and we shall have no opportunity to discuss that Bill. Senator Smith has asked a question on the point this morning, and, so far as I could hear it, the Attorney-General's answer did not convey any very definite assurance that this Bill would be taken up in the Senate this session. If the honorable senator can give us such an assurance, it will facilitate the passage of the second reading of the Appropriation Bill. At present we are debating the first reading of the Appropriation Bill, and on the second reading there will be an opportunity to say a good deal which perhaps might not be said if we were perfectly satisfied that before Parliament is prorogued we should have an opportunity to consider the Bill to which I have referred. On the matter of Defence, touched upon by Senator Gray, I must say that I cordially agree with all that that honorable senator has said on the subject. He has merely indorsed what Major-General Hutton has said year after year in his annual report. It is essential to the future safety of the Commonwealth that we should be provided with schools of instruction, arsenals—a matter on which Senator Gray did not touch—and with all necessary appliances for repairs. I do not intend to elaborate these matters, because Major-General Hutton has already done so, and presumably every honorable senator has read his report. A very large number of torpedoes have been ordered by the present Government, and rightly so I think. I am not aware that we have any provision for repairing these torpedoes in the Commonwealth if they get out of order. Honorable senators will agree that it is essential that some provision should be made

for their repair locally. Nothing could be more easy than to provide appliances for the building of these torpedoes in the Commonwealth. They are not elaborate, and there would be no difficulty about building them if we had the necessary machinery, which, I understand, is not very costly. I strongly urge the Government during the recess to take into consideration whether it is not possible to make a start in the direction of an arsenal by providing the necessary machinery to build these torpedoes in the Commonwealth. I can see no reason why the money which would be expended as wages to artisans engaged in such a factory should not be spent in Australia rather than in England. We should have the most approved pattern of torpedo, and, I am informed by competent authorities, there would be no difficulty in building them here. Another matter on which I desire to touch very briefly is the very much debated defence scheme. In discussing the Defence Bill we were unable to touch upon the scheme on which it was based. Therefore nothing of a very definite nature has been said about the finance member of the Naval and Military Boards. I have before pointed out that Senator Dawson, in a special rider to the report submitted by his departmental committee, states that in his opinion it is highly desirable that the permanent secretary of the Defence Department should be the finance member of both of these Boards. I wish again to emphasize my opinion—and I believe it is the opinion also of a great many members of the Senate—that that would be the most undesirable arrangement that could possibly be arrived at. I point out that the professional members of these Boards will retire every four years, and the political member, who will be a member of the Government, will of course retire on the retirement of the Government of which he is a member. The result, if we are to have a permanent finance member, such as the permanent secretary of the Defence Department, will be that he will become the absolute master of the situation. He will live on there in control of each board, and its members will practically become his servants. He will be able to conduct the whole policy of a board; he will have all its strings centred in his hands, and we shall be in the unfortunate position of having a civilian as a General Officer Commanding our Army and Navy instead of, as at present, a professional man. I do not wish to say any more on that subject. What I have said has been sufficiently definite, and the Attorney-General will gather from the applause with which my remarks have been received that a large number of honorable senators are fully in accord with them. In conclusion, I wish to touch upon one purely local matter, and that is the General Post Office in Perth. I speak not in the interests of Western Australia solely, but in the interest of the whole Commonwealth. The building in which the post-office is located forms part of the General Public Offices of the State. It is not in a separate building—it forms the centre of a large block of public offices, and the wings are in the possession of the State Government. The building is insufficient for the needs of the post-office. The arrangements, which were reported on at the instance of the State Government, when I was a member of the State Legislature, have been proved to be insufficient, and have been condemned. It is most essential that the Federal Government should take steps to secure a site on which to build a convenient post-office, suitable to the needs of the State for the next fifty years. There is no doubt that the population will go on increasing by leaps and bounds, as it has done during the last ten years, and that very shortly Perth will require, for the convenience of administration, quite as large a post-office as that in Melbourne, Sydney, or Hobart. Such a post-office cannot possibly be provided on the site now available, and, therefore, I do impress upon the Government the urgent necessity, in the interests of the Commonwealth, of taking steps to secure a suitable site. This most important question is likely to be lost sight of, because there is a post-office in which the business is carried on under difficulties. I think that we ought to study the interests of those who will come after us. If the purchase of land were left to a later date probably a great deal more would have to be paid for it than at the present moment.

Senator STEWART (Queensland).—I wish to protest against this unseemly method of dealing with the finances. It is a serious reflection on our system of government that one of the most important matters of national concern is brought in here during the last hours of the session, and that we are asked to deal with it without any examination of details. This Parliament has been sitting for a period of, I think, nine months. It has done very little

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useful work, as far as I can see. It has wasted a great deal of time on unimportant matters, and various Governments have assisted in that direction. At the very last moment the Government dumps down Estimates of expenditure amounting to between three millions and four millions, and covering the administration of the various Departments, and asks the Senate to pass them at one sitting. I ask honorable senators to say whether we are entitled to the thanks of the community for looking after their affairs in this fashion, or whether we are not rather subjecting ourselves to the serious indictment of being grossly careless as to most important matters. On several occasions, I have been compelled to enter my protest against this method of dealing with financial matters. We are always told that finance is the most important of all considerations to a community. If that is true, and the Government have any sense of proportion, the time taken in dealing with financial matters ought to bear some adequate relation to their importance. But we find the very opposite to be the case. Here we are asked to pass the Estimates without any opportunity being afforded us of ascertaining and discussing whether the cost of our administration is extravagant or otherwise. I protest against this method of carrying on the business of the country. If we did our duty as senators responsible to the community for our actions here, and for their money, the discussion of the Estimates ought to occupy, at the very least, nine sittings. Instead of that, the Government has the assurance to send them up here at the last moment, and actually expects us to pass them without examination. It is all very well for the Government to take up that attitude. I have no doubt that every Government is actuated more or less by the desire that its Estimates shall be passed with a minimum of criticism. I am not particularly blaming this Government, but I do not think it praiseworthy. If it were doing its duty, it would give the Senate every opportunity of examining the Estimates. We owe it to our constituents, as well as to ourselves, to insist that time shall be given us to look into the Estimates closely, and see whether some reduction in the cost of government cannot be effected, whether the serious burden of taxation cannot in some degree be lessened, and whether the efficiency of the various Departments cannot be increased. I desire to know whether honorable senators are prepared to insist upon doing their duty to their constituents, or whether they are not anxious to fall in with the views of the Government to get the Estimates hustled through as quickly as possible, and with as little examination as may be, or with no examination at all, and get into recess.

Senator PULSFORD.—Are not these really the Estimates of the late Watson Ministry?

Senator STEWART.—That does not affect my position. Evidently the honorable senator is quite prepared to overlook any omissions or neglect on the part of the Government he supports, and he, therefore, concludes that every other senator takes up an exactly similar attitude. It does not matter two straws to me whether a Labour Government, or a Protectionist Government, or a Free-trade Government is in power.

Senator MULCAHY.—The honorable senator is "agin" the lot of them.

Senator STEWART.—I am not "agin" the lot of them. I shall support any Government if its legislation is in accordance with my views; and I shall oppose any Government if its legislation is against my views. I take up a perfectly independent attitude so far as any Government is concerned. If a Labour Government were in power, and acted like this hybrid Government, this Government which is "neither fish, fowl, nor good red herring," but a mixture of protectionists and free-traders——

Senator Sir JOSIAH SYMON. — Like the Parliament.

Senator STEWART.—No. Although a great majority of the members of this Parliament are protectionists, yet we have as Prime Minister a free-trader, or rather a revenue tariffist, who was defeated on every point when he appealed to the electors.

Senator GRAY.—Where was he defeated?

Senator STEWART.—The people of Australia would have none of the right honorable gentleman. They said "Get thee behind us, Satan; we shall have nothing whatever to do with you." Owing to parliamentary intrigue and parliamentary treachery we now find that the right honorable gentleman is at the head of affairs in Australia.

Senator WALKER.—Another case of the "survival of the fittest."

Senator FRASER.—Mr. Reid was cheered like Lord Hopetoun at the inauguration of the Commonwealth.

Senator STEWART.—The people have found him out since then. In the future, the Senate should insist upon the Estimates being brought before us at such times as

will enable them to be reasonably discussed. We do not get them until honorable senators are so weary of the session that they are actually panting to get away. It is our duty to examine the finances of the Commonwealth, in order to see whether economies can be effected and whether the efficiency of the Departments can be improved. The Attorney-General is anxious that this Bill should pass to-day.

Senator Sir JOSIAH SYMON.—Not all of it, if honorable members wish to have a little longer time.

Senator STEWART.—I certainly wish to have more time. I protest against this system of dealing with the finances. Then I object to the way in which the Bill is brought before us. When we have passed clause 3 of the Bill we shall have voted £3,915,000. Then we go on to the schedule and, as far as I can see, it will be absolutely useless to suggest reductions. We are putting the cart before the horse. The Estimates ought to be examined before we pass the clauses.

Senator MULCAHY.—That is done in another place.

Senator STEWART.—Does the honorable senator think that this Senate is like an ordinary Legislative Council? We have a certain responsibility in connexion with the expenditure of public money. In fact, our responsibility is greater than that of the House of Representatives, because we are elected by the States, whilst the members of another House are elected by small sections of States. That makes our individual responsibility greater. Whatever honorable senators think, my opinion is that we ought to deal with the Estimates in a decent fashion. I will reserve my further remarks until the schedule is before us.

Senator DOBSON (Tasmania).—I wish to say a word or two before the Bill is read a first time. I see that a great discussion is going on as to whether the Chairman of the Tariff Commission shall have a casting vote. It appears to me to be little short of folly to think of giving the Chairman a casting vote. There are four free-traders on the one side and four protectionists on the other. If the Chairman has a casting vote it will go forth to the country that by a majority, the Commission has arrived at the opinion that a certain duty ought to be increased or decreased, when, as a matter of fact, the majority will have been obtained merely by one vote. A Royal Commission is appointed to ascertain the facts of the case. We do not want any nonsense like arriving at decisions by casting votes. I hope the Prime Minister will realize that it will be a perfect farce to give any member of the Commission two votes.

Senator HIGGS.—What will happen if there is a dead-lock on the Commission?

Senator DOBSON.—I do not care whether there is a dead-lock or not. The Commission has to decide nothing. It has to make a report as to how the Tariff is affecting certain industries.

Senator HIGGS.—But suppose there is a dead-lock as to precedure?

Senator DOBSON.—I do not care two pence about that. I suppose that in matters of procedure—as to whether the Commission shall sit at 10 o'clock or 11 o'clock in the morning — the Chairman might be allowed to have a casting vote. I am looking after vital points.

Senator Sir WILLIAM ZEAL.—It will not make a bit of difference, because we shall be able to see how the votes were arrived at.

Senator DOBSON.—As it will not make the slightest difference, I cannot see how any reasonable man can say that the Chairman ought to have a casting vote. I am told that Sir John Quick says that he will not be Chairman unless a casting vote is given to him.

Senator BEST.—For machinery purposes, of course.

Senator DOBSON. — Let him have a casting vote for such purposes, but not as to matters affecting the substance of the inquiry. Another point which I wish to make is that our expenditure on public works will become a scandal, as has been the case in some of the States, unless Parliament can exercise some control. In the little State from which I come, we used to have a report from the Secretary of Roads and Bridges or the Government Architect, informing us what works were required, and what was the estimated cost. When post-offices are to be built we ought to know the number of people in each place to be served, so that we may form an opinion as to whether £1,500, or any other sum, is too much to spend. At present we have no information to guide us unless we have local knowledge. As we have a Public Works Department under the charge of a competent officer, the Inspector-General, it ought not to be difficult to give us a report on the public works which are to be undertaken. The Inspector-General should get a report from his officers in the States. We are aware that every township thinks it an

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advantage to have as many public buildings erected as it can induce a member of Parliament to ask for; and unless we can get some information, we shall certainly have scandals.

Question resolved in the affirmative.

Bill read a first time.

Second Reading.

Motion (by Senator Sir Josiah Symon) agreed to—

That the Standing Orders be suspended to enable the Bill to be passed through its remaining stages without delay.

The PRESIDENT.—I understand that the Attorney-General, in moving the second reading, asks leave to refer to matters not strictly relevant to the Bill. If that leave be given, I do not see how I can prevent other honorable senators from also referring to matters not strictly relevant. Is it the pleasure of the Senate that leave be given?

Honorable Senators.—Hear, hear.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I move—

That the Bill be now read a second time.

In submitting this motion, I have to ask two indulgences from the Senate. One is that which you, sir, have already obtained for me, and which is merely to enable me to do what I should have done on the first reading, namely, make that courteous reference which is due from me to matters of grievance, and so forth, to which it is the privilege of honorable senators to call attention on the first reading of a Bill of this description. We know what that privilege means to us constitutionally. We know the care that was taken under the Standing Orders to place the Senate on a corresponding footing—indeed, I may almost say an equal footing—with the House of Representatives with regard to the privilege of ventilating grievances on going into Committee of Supply. It is a privilege to which the Senate is entitled under the Constitution, regulated by our Standing Orders, and one which none of us desire to see curtailed or diminished in any way. It was for that reason that, last night, the hour being very late, I readily agreed to the adjournment of the debate on the first reading, so that every honorable senator might have an opportunity to direct attention to general matters and to grievances—to use a familiar term—which he might wish to lay before the Government, or before this Chamber. But as it was desirable for the convenience of honorable senators that we should have the next stage of this Bill taken by means of a suspension of the Standing Orders, and as I had a wish, which I think was shared by all, not to unnecessarily inconvenience honorable senators by bringing them back immediately after the luncheon interval, I took the liberty to suggest to the President, who very readily acquiesced, that I might very briefly allude to some of those matters now. It is only to that extent that I shall deviate at all from the strict order in moving the second reading of the Bill. The other indulgence is asked because I am treading upon comparatively unfamiliar ground in explaining, however briefly, the financial position of the Commonwealth. In this matter I have two examples before me. One is the very excellent, and most recent example of my honorable friend, Senator Playford, who last year gave a short, most interesting, and lucid financial statement. I think I may say without flattery that that was just the statement we should expect from an honorable senator of such experience, not only as a parliamentarian, but as an ex-Prime Minister, an ex-Treasurer, and an ex-Agent-General representing South Australia in England. I do not hope myself to be able to emulate his effort. I have another example, that of my honorable friend, the present Justice O'Connor, who was brevity itself in the previous year when, in some three or four sentences, he moved the second reading of the Appropriation Bill. I hope to strike a happy mean between those two examples, and summarize the salient points—I do not think it necessary to go into elaborate details—which it may interest honorable senators to have under consideration. I say that particularly, because the more I can compress what I have to say, the sooner Senator Stewart will be able to reach the details of those Estimates which he is hungering and thirsting to devour.

Senator Stewart.—I thought it was not intended to go into Committee until next week.

Senator Sir JOSIAH SYMON.—I think we should go into Committee to-day, if we can.

Senator Staniforth Smith.—It would be better to do so next week.

Senator Sir JOSIAH SYMON.—There are strong reasons urged by Senator Stewart why we should investigate those details as early as possible. The honorable senator made some remarks in regard to the Estimates coming up at this late period of the session; but such observations I think we

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may regard as stereotyped. Year by year remarks of the same character are made, and very justly made; but, as Senator Stewart very frankly says, they do not apply to any particular Government, but to a state of things which is customary in parliamentary affairs, and which is due, not to the desires or proposed actions of any Government, but to the fact that under the Constitution the Appropriation Bill is first dealt with in another place. The other place having charge of the Appropriation Bill, after the Estimates have been gone through, is naturally apt, in the exercise of its just rights, to keep the measure longer on its hands at some times than at others; and, of course, until the other place parts with the Bill we cannot deal with it. But Senator Stewart contends that we should have an opportunity to look into the Estimates minutely—to examine them with care. Of course, the minuteness of the examination depends on what there is to deal with, and it enables each of us to determine whether there is anything in the Estimates to require long debate. It does not follow that the Estimates, as Senator Stewart says, should have a rigid period of three or four weeks allotted to their examination. We could not lay down such a rule, because there might be Estimates which any legislative assembly would put through in an hour; and all that is necessary is opportunity for careful examination. I remind Senator Stewart of what was stated by way of interjection, that these Estimates, together with the extremely full, carefully prepared, and luminous Budget Papers, have been in the hands of honorable senators since 19th October. It cannot be said that each one of us has not had ample opportunity to scrutinize details in the most thorough manner, and to select such items as we think ought to be elaborately debated in this Chamber.

Senator Stewart.—The zeal for discussion has evaporated.

Senator Sir JOSIAH SYMON.—That is not my fault; I have plenty of zeal left, and so, I think, has Senator Stewart. I am quite sure that it would take a good deal more than the approaching close of the session to destroy Senator Stewart's zeal. But the attractiveness of the serene atmosphere of recess is, I think, just as potent with him as with myself. Every one of us, after a year's attention to public duty, feels that some kind of respite is necessary. Personally, I like a holiday, and I think the same feeling prevails amongst honorable senators generally; so that I hope we shall assist each other, while doing our public duty thoroughly, to secure a little vacation for ourselves. In this connexion Senator Pearce spoke of equal opportunity being given to this Chamber in regard to the discussion of public questions. I feel quite certain that the last Government, and also previous Governments, have been animated with a desire to give the fullest possible opportunity to this Chamber for the discussion of public questions. We all estimate differently the value of particular subjects, but I think that, consistently with the importance of those raised for debate, there is no desire on the part of the Government—I would include past, present, or any Government, of which honorable senators may form a portion in the future—to depreciate the position of this Senate, or to lessen in any degree the opportunity to discuss matters in which honorable senators take a deep interest. Senator Pearce also referred to the initiation of a discussion on the question of Preferential Trade. I need only remind the Senate that I promised, and I intend that the promise shall be carried out—though as I intimated it is impossible now to fix the hour or day—that the Senate should have the same opportunity in this connexion as has the other House. Senator Matheson made some remarks, and Senator Smith asked a question with regard to the Kalgoorlie to Port Augusta Railway Survey Bill. The former senator said that unless some assurance was given as to this measure, there would be an opportunity presented to say a good deal more than might otherwise have been said on the Appropriation Bill. I do not know whether the honorable senator meant that as a very delicate hint that he is going to stonewall the Appropriation Bill. But if that is his meaning, it is not exactly the way to conciliate his fellow senators or the Government. I am sure it is not the way in which representatives of Western Australia would care to approach the Senate with a request that the measure referred to should be expedited. I think the honorable senator was unfortunate in the way he expressed himself, and he ought to have been satisfied with the answer I gave to Senator Smith, that it is my intention to move the second reading and proceed with that Bill. I have said so all along; it is part of the policy of

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the Government. But the two Bills, one on defence, and the other giving a new Constitution to Papua, in connexion with which there are only one or two debatable matters still to be considered, are, if I may take leave to say so, of at least equal importance —and that has been recognised by Senator Matheson himself—with the other Bill which is looked upon as important, not only by the Government, but by the people of Western Australia. My honorable friend has forgotten that the Defence Bill and the Papua Bill were the only two measures standing in front of the Kolgoorlie to Port Augusta Railway Survey Bill, and the honorable senator not only admitted the prior importance, certainly of the Defence Bill, but occupied a considerable—I shall not say an undue—time, in debating the second reading, and afterwards in Committee, in exhaustively discussing, from his point of view, the defence scheme and the measure proposed to give it effect. I must say that I anticipated an earlier disposal of the Defence Bill, and if that anticipation had been realized we should in all probability have reached the Kalgoorlie to Port Augusta Railway Survey Bill before this. The Estimates have yet to be dealt with, and I have promised honorable senators that the fullest possible opportunity will be afforded for their discussion. I should be breaking faith with the Senate, and violating the principles asserted by Senators Pearce and Stewart in regard to the rights of the Senate in respect of financial matters if I permitted anything to interfere with the fulfilment of my promise in that regard. The Kalgoorlie to Port Augusta Railway Survey Bill shall be proceeded with as soon as we have disposed of the Appropriation Bill and the Papua Bill. Some matters of importance were referred to by Senator Gray, which, in accordance with the honorable senator's request, will have the attention of the Government. Senator Fulsford alluded to the concession made by the last Government, and also by the present Government, in connexion with the administration of the Alien Immigration Restriction Act. This matter was also touched upon by Senator Pearce, though from a different stand-point. Whatever view we may take upon the main question, there can be no doubt that the public feeling of Australia is entirely at one as to the desirableness of the particular concession which has been made. Senator Higgs referred to my answer to a question put the other day, and to a passage in the evidence submitted to the Select Committee that inquired into the case of Major Carroll bearing upon the matter. I have nothing to add to the answer which I gave my honorable friend. The honorable senator will see, even by the light of the passage which he quoted, that the Government would be taking up an awkward position in determining a matter such as was the subject of my honorable friend's question, without communication with the person chiefly concerned. Even then, my honorable friend must see that it would be a very difficult thing to sit in judgment as to the accuracy or inaccuracy of any particular statement such as that to which he has referred.

Senator HIGGS.—It might be difficult, but I am afraid the honorable and learned senator will have to take the responsibility of deciding who is telling the truth in this matter.

Senator Sir JOSIAH SYMON.—At any rate my honorable friend will not ask that that should be done without an opportunity to hear all the parties. If, as I said in answer to his question, Senator Higgs desires that we should communicate with one of the parties who is not now in the Commonwealth we shall be most happy to do so.

Senator HIGGS.—I am asking that the Minister of Defence shall communicate with Colonel Hoad. If, after hearing him, it should appear to be necessary to communicate with the late General Officer Commanding, consideration will, of course, be given to that.

Senator Sir JOSIAH SYMON.—Apart from the quotation to which my honorable friend has referred, my present information is exactly the same as that which I had when I answered his question. Senator Givens referred to certain matters connected with the sugar industry. An important question of policy is involved, and, as I intimated to Senator Walker this morning, the matter has been and is under the serious consideration of the Government, and a determination will be arrived at during the recess. Senator Pulsford alluded to certain matters in connexion with insurance companies, local naval defence, and the consolidation of the insurance and company laws. I may tell my honorable friend that I have already had the last-mentioned matter under consideration. Of course, I can give no pledge until the Government has had an opportunity to consider a feasible pro-

gramme for next session; but I can assure the honorable senator that I have personally a very strong desire that there should be a Commonwealth companies law in order that these companies may be placed on an equal footing throughout the Commonwealth. The laws affecting insurance are in the same category. Every consideration will be given, with a view to securing that uniformity which is so desirable. One important matter which I did not specially mention was Senator Gray's suggestion in connexion with the establishment of military schools. Honorable senators will recollect that when I moved the second reading of the Defence Bill, I alluded to the subject, and pointed out that the question was one which could not receive immediate attention, because of the expense involved.

Senator GRAY.—It would be well spent money.

Senator Sir JOSIAH SYMON. — I freely admit that, but it is a large question. the importance of which Senator Gray has not exaggerated in the slightest degree, and it will be considered in connexion with various other matters affecting the organization of the country for its own defence. Dealing with the Bill, my task is a good deal lightened by the fact that honorable senators have before them the Budget Papers prepared by the Treasurer, Sir George Turner. They are full of information, and it is not too much for me to say that they are really illuminating, prepared, as they have been, with that care which Sir George Turner has always exercised in connexion with this particular Department. An examination of these Budget Papers will, in the light of the summary which I propose to give, enable honorable senators, without much difficulty, to grasp the financial position of the Commonwealth. In dealing with matters of this kind, it is gratifying that, unlike some of the States at the present time, we have not to consider fresh taxation, but merely the revenue derived from existing Commonwealth taxation and from certain Departments of the Public Service, and the expenditure. Revenue and Expenditure give us the two lines along which our investigation may proceed. The actual revenue last year was £11,631,056. That was in excess of the Treasurer's estimate for the year to the extent of £64,881. The estimate of revenue for this year is £11,570,000 being £61,056 less than the actual revenue of last year. That is the anticipated falling off, if these figures alone be considered. But the deficiency must be increased by a sum of £50,000, which I shall explain in a moment, in respect of certain sugar duties collected in Victoria, and to be credited to this year's revenue, and a sum of £34,000 actually received and paid into a trust fund last year, and not credited to revenue. The result is that the real falling off is the sum I have already mentioned, £61,056, plus these two sums, making a total actual falling off in the estimate for this year, as compared with the revenue actually received last year, of £145,056. The Treasurer described that £50,000 as a windfall to Victoria for this year. Let me explain how it arose. There was a dispute in Victoria between the Colonial Sugar Refining Company and the Government of the Commonwealth. There was also a similar dispute in Queensland which, parenthetically, I may say, may have the effect of aiding its revenue to the extent of £20,000. But the particular matter I am referring to applies to Victoria. The dispute was as to whether certain sugar made before Federation was liable to pay Federal Excise duty. The actual amount involved was only £11,000, but, with that care for the interests of the Commonwealth which the Department of Trade and Customs has always exercised, and I hope will continue to exercise, they insisted as a condition precedent to the dispute being investigated and settled by a judicial tribunal—in fact the case is now under appeal to the Privy Council—that the total sum of £61,000 should be deposited by the company, and the amount, I think, very prudently, was not brought into revenue, but was placed to a trust account pending further proceedings. Of that sum, £27,000 was paid in 1901-2 and 1902-3, and £34,000 was paid last year. By an arrangement made by the Treasurer with those acting on behalf of the company, £50,000 of the total sum is to be released and paid over to Victoria, leaving a balance of £11,000—the amount required to meet any verdict which can possibly be given in favour of the company—in the trust fund. In any comparison, the £34,000 paid in last year, and not treated as revenue, has to be taken into account this year, and the £50,000, which is included in the Treasurer's estimate this year, and which will be handed over as a windfall to Victoria, has to be taken into account in the way I have mentioned. That £50,000 has already been

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paid over to Victoria. That explanation will, I think, make it clear to honorable senators that, although the nominal difference between the estimate of revenue for this year and the actual receipts of last year is £61,056, the real difference, if we take into consideration the other sums I have alluded to, is £145,056. Of course the great bulk of the revenue is made up, as honorable senators are aware, from that really prolific source of national income, Customs and Excise duties. The total collections from these sources last year amounted to £9,105,758, or only £1,242 less then the Treasurer's estimate. That is a very remarkable fact, but the Treasurer does not take all the credit for giving so near an estimate of Customs revenue as that represents, because he did not include the £34,000 collected on sugar in Victoria and paid into the trust account. The estimate does not appear quite so close when we take that item into consideration. For the current year, the estimate of revenue is £8,980,000. That represents a decrease of £125,758 on last year's revenue. In making that estimate the Treasurer—as I think I may appeal to honorable senators to say—is probably well within the mark. At all events, I feel sure that it will be conceded that in making an estimate of anticipated revenue it is not desirable to over-state. On the other hand, it is equally undesirable to under-state. Probably it is just as well, so long as there is some satisfactory basis, to take a fairly sanguine view, within limits, of the prosperity and consequent revenue of the country. I think we shall all agree that, happily, the prospects in Australia are excellent, and a good deal better than they were when the Treasurer delivered his Budget speech on the 18th October. I am not prepared as an expert to investigate that subject, or pronounce any particular opinion on it, but I think I may say that in my own State the expectations have become much more sanguine within the last week or two than they were a month or six weeks ago. A time came when, owing to climatic conditions, the prospects of the crop in South Australia were extremely gloomy. All that has disappeared, and I am informed on excellent authority that while now the expectation is an eight-bushel harvest, at that particular time no one would have predicted, having regard to the existing conditions, more than a four-bushel harvest at the outside. Then we have our other staples to consider. In the wool market, prices have been excellent. Altogether we may look forward during the remainder of this year to a very fair condition of prosperity, and perhaps the existence of a spending power in the community which will act very favorably on the revenue. Another great source of both revenue and expenditure is the Postmaster-General's Department. Last year, the estimated revenue was £2,450,000, and the actual revenue was £2,510,264, so that there was a surplus of £60,264 over the Treasurer's estimate. That surplus neither depreciates from the credit due to my honorable colleague for his estimate, nor does it, when examined, show any abounding elasticity in the source of the revenue, because it is mainly accounted for by the inclusion of £41,514, being the arrears due to the Commonwealth for conducting the business of the States Savings Banks from the 1st March, 1901. It was not included in the estimate, and, therefore, it makes up a large part of the £60,264. The details will be found on page 3 of the Budget Papers. From the same source the Treasurer expects to get this year about £45,000, representing the balance of the arrears, and also the current charges. The estimate of revenue for this year for the Department is £2,560,000, being an increase of £49,736 on last year's revenue, and of £110,000 on last year's estimate. The Postal revenue is steadily improving in New South Wales, Victoria, and Tasmania. In Queensland, it is practically stationary. In South Australia and Western Australia there has been a considerable falling-off, in consequence of the Pacific Cable arrangement, and of alterations made in the agreement entered into with the Eastern Extension Telegraph Company by the States before Federation. There are also to be considered, in that connexion, the reduced telegraph rates under the Post and Telegraph Act, and a decrease, so far as Victoria is concerned, owing to its penny-postage system. I have mentioned that we have, on the other hand, the benefit of the savings banks payments. All I need say further in regard to the sources of revenue is that honorable senators will find on pages 2 and 3 particulars showing that the New South Wales estimate of revenue is £935,000, being £6,529 less than the receipts for 1903-4. The Victorian estimate is £660,000, an increase of £9,417. Honorable senators will take the Queensland figures in connexion with what I have said as to the sources of revenue. The estimated revenue for that State is

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Senator PEARCE.—Then, on the other hand, the States howl out about the Commonwealth not constructing necessary works.

Senator Sir JOSIAH SYMON.—That is so; the fact of the matter is that the States want to "eat their cake and have it." As to the increase of £85,000 in the Post and Telegraph Department, honorable senators know that this is an expanding service; and expenditure is increasing, as one would expect, in a greater degree than is the revenue. More facilities are asked for in thinly populated places, and, of course, must be provided; and the Railways Commissioners of the various States are demanding increased payments for mail services. The Victorian Railways Commissioners, for instance, used to transact telegraph business for 25 per cent. on the receipts for the telegrams transmitted through their agency; but they now insist upon being paid 50 per cent. That, of itself, represents an increase of something like £3,000 per annum; but I am informed that the heads of the Post and Telegraph Department do not consider the demand unfair. The increase of £14,000 in "other" expenditure is contributed to to the extent of £6,000 by the extended postal facilities between the Commonwealth and the Pacific Islands. Then in the case of New Guinea there is an overdraft of £1,500 which has to be met, and, further, the expenditure is greater this year than last year on the High Court. Last year the High Court was in existence for only some seven or eight months, whereas this year a period of twelve months has to be provided for.

Senator DOBSON.—What is the yearly expense of the High Court—£15,000?

Senator Sir JOSIAH SYMON. — The total expense, including salaries, is £14,885 per annum, and the increase this year, compared with last year, is £4,500. There is one other item which I think I should explain, because it was the subject of a question asked by Senator Walker some time ago, as to the desirability of appointing a Commonwealth Statistician. For this purpose there is provided in the "transferred" expenditure a sum of £1,950. We all agree, I think, not only as to the desirability, but as to the necessity, of a Commonwealth Statistician, in order that we may have absolutely reliable statistics relating to the national affairs of the Commonwealth. I have now, I think, dealt practically with all matters which call for comment. Additions, New Works, and Buildings represent an expenditure of £404,240; but the Senate has already had an opportunity to deal with that under the Appropriation (Works and Buildings) Bill passed a week or two ago, and it is unnecessary to make any further reference to it. But, before concluding, there is one subject which cannot be referred to too often, with a view to dissipating a misapprehension very current, and very industriously made use of by, I was going to say, unthinking critics of Federal affairs. I refer to the alleged extravagance on the part of the Commonwealth. That charge has been answered over and over again, but it is well that the situation should be stated each year, so that it may be seen that the Commonwealth is careful in the interests of the States, and its own financial interests, to keep well within the limits of its financial resources as defined by the Constitution. Many people are not aware of the fact that the Commonwealth is limited to, and entitled to use, under the Braddon section, one-quarter of the net Customs and Excise revenue. That does not mean a quarter of the net Customs and Excise revenue of each State, but a quarter of the aggregate net Customs and Excise revenue of all the States. But that power has never been exercised to anything like the limit. During the four years since Federation was inaugurated, the Commonwealth has paid to the several States a great deal more than the three-fourths of the total revenue to which they are entitled under the Braddon section. The following figures show the amount which each State has been paid since 1st July, 1901, over and above the three-quarters:—New South Wales, £1,403,115; Victoria, £837,952; South Australia, £297,693; Western Australia, £794,402; Tasmania, £110,620; or a total during the four years of £3,379,583, all of which the Commonwealth might have spent had it so chosen. I do not say that the Commonwealth Government are entitled to any glory for acting as they have done in this connexion, but it ought to be made known that the Commonwealth is living well within its income, not only as a matter of honest national finance, but in the interests of the several States, which have been fairly dealt with. The State which has been most unfortunate in this respect during these four years is the State of Queensland. But, after all, that State has not a great deal to complain of, as honorable senators will find if they

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take into consideration two or three figures which I propose to mention. In 1901-2 Queensland was short of her proportion of her own revenue to the extent of £20,000. In 1903-4, in consequence of the Treasurer keeping back certain expenditure, as I have said, with a view to ease the position in the State, the encroachment upon her own revenue was only to the extent of some £2,000. In 1902-3 she received an excess of £15,000, so that if the three years are taken together it will be seen that Queensland has only been short to the extent of £7,500 of the three-fourths of her Customs revenue. In addition to that, in 1903-4 the expenditure in Queensland exceeded that of the previous year by only £3,452, so that really the loss was not owing to the expenditure not having been made, because the Treasurer was careful about that, but rather to the fact that for the time at least there was a reduced revenue. I have given honorable senators the figures for four years. This year the amount estimated to be returned to the States is £600,000 more than the Commonwealth is obliged to return under the strict terms of the Constitution, and which the Commonwealth might spend, but which we should not be justified in spending unless there was an object to which that expenditure might legitimately be devoted. One consolation to be derived from that is that if elasticity in the prosperity of Australia continues, and the sources of revenue are buoyant, it leads us to hope that there will be ample provision, within the limits of the constitutional restriction, to enable us to do a good deal without even contemplating the possibility of having to borrow money.

Senator McGregor.—We could build the Western Australian railway in five or ten years.

Senator Sir JOSIAH SYMON.—I am glad that my honorable friend has mentioned that, because I desire to say that no vote is provided for the expenditure involved, should the Kalgoorlie to Port Augusta Railway Survey Bill be passed. When that Bill is passed, as I hope it will be within a very few days, the money required for the survey will be authorized by that measure as a special appropriation. I think that I have said all that it is necessary for me to say. I have endeavoured to compress into the briefest possible space a vast amount of material. I take the view which I think the Senate generally takes, and the view acted upon by Senator Playford last year, that the second reading of this Bill should not be treated as a mere off-hand, formal matter, and that it is obligatory upon those representing the Government in this Chamber to at least deal with the salient features of the financial statement, in order that the Budget Papers may be more easily understood, and the financial position more intelligently dealt with. I hope that, although the Treasurer anticipates a shortage in the Customs revenue for the current year, as compared with the revenue received last year, the actual results will be found to be of a different character. I trust that when we come to the end of the year, which will, I hope and believe, be one of prosperity, we shall find that the elasticity of the revenue has been more than is anticipated, that a shortage will not occur, and that from this year onwards we shall enjoy a measure of prosperity which will enable the Commonwealth to carry out all its high projects of national importance and national advantage without imposing undue burdens upon the people of this great country.

Senator HIGGS (Queensland).—I have a few remarks to offer, which it might be convenient to make at this stage. There is a proposal contained in the Appropriation Bill for the expenditure of a sum of £12,000, to which I take very serious exception. It is proposed to expend £12,000 on a subsidy for a proposed increased service in the Pacific. Although this proposal has been before the Government since January, 1904, some eleven months, we have had the greatest difficulty in getting information as to its details. On many occasions the Government have been approached in the Senate and in another place by the medium of questions, to elicit information. The Prime Minister, for example, was asked whether he proposed to call for tenders, and he said—

> No, because we think the present proposal the best possible.

The same reply was made by the Attorney-General in the Senate on the 22nd November, in reply to a question put by myself. On the 18th November Mr. Bamford asked the Prime Minister—

> Are the arrangements with Messrs. Burns, Philp, and Company likely to be completed at an early date? Is the service to commence on the 1st January next?

And the Prime Minister replied—

> The Government have refrained from committing the Commonwealth to the proposed service until the money required for it has been voted

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by Parliament. The amount is included in the Estimates of the Department of External Affairs, so that the cost has not yet been finally agreed to, even by this House. Everything is ready for concluding the arrangements directly Parliament has voted the necessary money. I cannot say at what date the service will begin, because we shall have to come to an agreement with the company on that point after the money has been voted.

That reply goes to show that no agreement has yet been made with the company, and the details of the service do not appear to have been agreed upon. Although according to the Prime Minister everything is ready, it appears to be quite impossible to get from the Government a copy of the draft agreement with this company, which they propose to sign on behalf of the Commonwealth. I have various grounds of objection to the proposal. The first, and I think it is a very weighty objection, is that the proposal to pay Messrs. Burns, Philp, and Company a subsidy of £12,000 is a breach of the Constitution.

Senator Gray.—All that is asked for is £6,000.

Senator HIGGS.—That £6,000 is additional. The honorable senator is aware that Burns, Philp, and Company will receive from the Commonwealth £12,000 a year if we agree to this appropriation.

Senator Gray.—But they receive £6,000 under a former agreement, which must be carried out.

Senator HIGGS. — The former agreement, as the honorable senator is no doubt aware, contains a clause to the effect that if at any time Parliament declines to pass the money the agreement shall be considered at an end. By sub-section III. of section 51 of the Constitution, it is provided that—

The Parliament shall, subject to this Constitution, have power to make laws for the peace, order, and good government of the Commonwealth, with respect to—

. . . .

III. Bounties on the production or export of goods, but so that such bounties shall be uniform throughout the Commonwealth.

I point out that this is not a proposal for a mail service, as the Vice-President of the Executive Council has himself admitted. When this question was brought up in the Senate some two or three years ago, Senator Drake said that this subsidy could not be defended as a mail service.

Senator Drake.—It is a mail service, like all our services.

Senator HIGGS.—I shall quote the honorable and learned senator's own words. He said—

As I said before, this cannot be justified as a postal service, because in the present undeveloped state of the islands there will be comparatively little postal business. But this service is subsidized for commercial purposes.

Senator Pulsford. — Quite true; the same as the Vancouver service.

Senator HIGGS. If it is true that this is a subsidized service for purposes of commerce, it is a breach of the Constitution to give £12,000 to one firm and not to make the subsidy uniform throughout the Commonwealth.

Senator Gray.—No other firm could do the work.

Senator HIGGS. — Senator Gray must pardon me if I say that it is nonsense to suggest that Messrs. Burns, Philp, and Company are the only people in the Commonwealth who could carry out this service. A bonus for trade or commerce must under the Constitution be open to every individual in the Commonwealth. When we grant a bounty for the production of sugar, it is open to every individual, who cares to go on to sugar lands and grow sugar to secure that bounty. This is not a proposal to give every ship-owner, who is prepared to conduct a service to the New Hebrides a bounty for purposes of trade. It is a proposal to give a bounty to one firm only, and it is therefore a breach of the Constitution.

Senator Gray.—The proposal ought to be carried out.

Senator HIGGS.—I hope the honorable senator will let us hear from him on the subject later, and will tell the Senate to what extent Messrs. Lever Bros. are interested in this proposal.

Senator Gray.—Not to the extent of a single cent.

Senator Givens.—They are getting their cocoanut oil brought over for them.

Senator Gray.—They have fought Burns, Philp, and Company more than has any other firm.

Senator HIGGS.—To call this a subsidy for the purpose of extending a mail service is but a subterfuge adopted to overcome the difficulty raised by the Constitution. The members of the present, as well as the members of previous, Governments know well that it cannot be defended unless by persuading the public that the subsidy is required for a mail service. To show that it is a travesty to describe this service as a mail service, the Government need only submit the return asked for as to the number of letters and postal articles carried to and from the New Hebrides by

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Burns, Philp, and Company's boats and by other British and foreign ships. If the Parliament will insist upon spending this money, it is right that tenders should be called for. So far as I am aware, tenders are invited for all our mail services, and all the details are set forth in the invitation. The Department always stipulates on what particular days the mails shall be carried, and at what particular places the contractors shall call. If the Ministry had to provide this money out of their own pockets, I venture to say that they would call for tenders for carrying the mails to and from the New Hebrides, and the Islands of the Pacific, at which they wish the steamers to call. No proposal of that kind is made. We have had a statement from the Prime Minister that the Government think it is the best possible service. I have here a letter from Messrs, J. Clunn and Sons, who have been running a boat to New Guinea from Cooktown for a considerable time without a subsidy.

Senator GRAY.—A boat?

Senator HIGGS.—It is larger and more commodious than the boat which is run by Messrs. Burns, Philp, and Company to the same place. Messrs. Clunn and Sons, through their agent, Mr. John R. Craig, addressed the following letter to the Secretary of the Department of External Affairs:—

Adverting to my letter of even date, by further telegraphic message, I am especially authorized by Messrs. J. Clunn and Sons, of Cooktown and Samarai, to act on their behalf in submitting to the Commonwealth Government the following proposal with regard to the Papuan section of the proposed further extension of the Australian Pacific Shipping Service Subsidy.

Messrs. J. Clunn and Sons are prepared to run a monthly service between the ports of Cairns, Cooktown, Samarai, Woodlark Island, Samarai, Port Moresby, Cooktown, and Cairns, connecting with the present numerous Australian coastal shipping services at the ports of Cooktown and Cairns.

A. If specified in the contract that the crew shall consist of persons of European descent—white labour—only, tender hereby submitted for subsidy of nine hundred and fifty pounds (£950) per annum.

B. If specified in the contract that the crew may consist of a number of those of European descent—white labour—together with a portion of aboriginal Papuan natives—Papuan labour—tender hereby submitted for a subsidy of seven hundred pounds (£700) per annum.

The vessel which would be employed by Messrs. J. Clunn and Sons in the proposed subsidized service, is their screw schooner *Papuan*, 160 tons register; Union oil engine, 75 horse-power; speed, nine (9) knots; built at Sydney, New South Wales; launched in April, 1903.

The screw schooner *Papuan* was specially constructed for the Papuan trade at a cost of £5,300. There is a comfortable saloon, surrounded by six cabins, containing twenty-four (24) saloon berths, with special convenience for ladies. The steerage, in two divisions, contains twelve (12) berths, and there is a roomy poop for promenade, extending nearly half the length of the vessel.

The crew at present consists of six (6) Whites and ten (10) Papuans; the latter are aboriginal natives of the Territory of Papua, being neither Polynesians nor yet Asiatic Aliens.

Messrs. J. Clunn and Sons are agreeable to enter into a contract with the Commonwealth Government, either annually or for a term of years, as may be desired by the Government, and to commence same on 1st January, 1905, or whenever deemed desirable.

Messrs. J. Clunn and Sons will be pleased to be permitted to peruse a copy of the Articles of Agreement of the proposed subsidized contract, or of any alternative scheme required in connexion with the Thursday Island, Daru, and Hall Sound route.

They will also be pleased to be permitted further conference with the Department upon the subject of the Papuan section generally of the proposed further extension of the Australian Pacific Subsidized Shipping Service.

Copies of excerpts from telegraphic messages from J. Clunn and Sons to J. R. Craig, authorizing him to act on their behalf, are annexed for your assurance.

I shall be pleased to supply at once any further information you may require. An early reply will oblige.

Not only are Clunn and Sons prepared to tender for the Papuan section of the proposed service, but Messrs. Kerr and Company, of Sydney, have protested against this subsidy being granted to a single firm, and asked the Department to allow tenders to be called for, so that they may have a chance to compete.

Senator GRAY.—Who are Kerr and Company?

Senator HIGGS.—They are a firm of Sydney ship-owners, who run a steamer to the New Hebrides. The reply which Messrs. Clunn and Sons received to their letter was that the subsidy had been allocated for one proposition only, namely that of Burns, Philp, and Company, that tenders would not be called for unless specially ordered by Parliament, and that Clunn's proposal was merely received by the Department, but not as a tender, because tenders had not been called for. Burns, Philp, and Company, it appears, intend to run the *Parua*, 106 tons, for the first six months, and then perhaps they will supply a new boat, or perhaps put on the *Ysabel*, and, if necessity arises, include Cooktown as an alternative terminal point. The proposal that tenders should be called, ought to specially appeal to free-trade members of the Senate, if it is insisted that we shall

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pay this increased subsidy for such a travesty as the proposed mail service.

Senator GIVENS. — They are only free-traders when it suits their own particular ends.

Senator HIGGS.—The protectionists in the Senate will be sufficiently logical to make the bounty apply to all persons who deem themselves competent to enter into the service. But the free-traders are abandoning their principle of free and unrestricted competition, because they do not propose to allow any one to tender for this service, which will cost £12,000, but wish to confine it to one firm which appears to have an extraordinary amount of support in various parts of the Commonwealth.

Senator PULSFORD.—It seems to receive an extraordinary amount of opposition from some quarters. That is the remarkable feature.

Senator GIVENS.—No opposition would be offered if they were not receiving favours and concessions.

Senator HIGGS.—Senator Pulsford believes in the doctrine of letting in a little fresh air concerning those who are engaged in certain industries. Does he not see that it is very justifiable for those who object to this proposal to ask that if this £12.000 is to be spent, public competition shall be invited?

Senator GRAY.—Not necessarily.

Senator HIGGS.—I am appealing to the only real free-trader in the Senate. Not only has Senator Drake told us that this is a proposal to give a bounty for the extension of commerce, but he has led us to believe that it is a proposal to settle Australian emigrants on the lands in the New Hebrides belonging to Messrs. Burns, Philp, and Company. According to the schedule attached to the agreement of 12th March, 1902, the firm have blocks of land there numbered from 1 to 30. The total area is about 100,000 acres. But so little information have Burns, Philp, and Company about their own lands, that they have not described lot No. 3. Lot No. 1 is Hat Island. Lot No. 2 is described. But about lot No. 3 they give no information. They appear to have an idea that they have land there; but they certainly have not described that portion of their possessions. It is simply put down as "No. 3." I consider that this proposal of Messrs. Burns, Philp, and Company that the Commonwealth Government shall take a share with them in the administration of these islands is a very ingenious move to get the Commonwealth to support them and their claims when the proposed Land Commission meets to decide the question of land titles in the New Hebrides. A great number of British settlers in Fiji had their titles disallowed, because they were not able to support them. Some of them had bought land in a genuine way. The method in the New Hebrides appears to be to approach the natives, whom they believe to own the land, and to ask them if they will sell. The natives are paid certain amounts in money and kind for the land. But I am informed on good authority that one can get any native in the New Hebrides to sell him any land that he sees natives settled upon. These natives ask you if you "want to make 'em paper," which means that they want to know whether you want to buy some land. The intending settler says "Yes." Then the native says, "You can have that," pointing to all the land comprised between where they are standing and the horizon—"from here to yonder."

Senator DRAKE.—Where does the honorable senator get that information from?

Senator HIGGS.—From a resident who has been in the New Hebrides for years.

Senator DRAKE.—Name?

Senator HIGGS.—I must ask the honorable senator not to press for the name of my informant.

Senator WALKER.—Is there not a system of joint control between the French and the British?

Senator HIGGS.—Yes; and I propose later on to deal with that matter. The system pursued seems to have been a very loose one—so loose that with regard to one of the islands named in the schedule, Hat Island, I am given to understand that there are at least half-a-dozen different titles.

Senator WALKER.—It is said that residents in Noumea hold titles for more land in the New Hebrides than there is in that group of islands.

Senator HIGGS.—That is quite likely. I am informed that in the New Hebrides generally, there are titles for more land than exists. I understand that so many people have bought land on Hat Island, and there is such a doubt about the titles, that no one will put any improvements on the place. But mark the ingenuity of Messrs. Burns, Philp, and Company. Fearing, I suppose, that owing to their title being challenged, there might be a doubt about their property in Hat Island, they ask the Government to be good enough to leave that island out of the list. Probably if some innocent Australian

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settler went down to Hat Island, and endeavoured to find a place to settle upon, he would be quickly informed of the state of affairs, and would complain to the Commonwealth Government. Then the titles of Messrs. Burns, Philp, and Company from No. 1 right up to No. 30, might be challenged. But see the position of Messrs. Burns, Philp, and Company if the Government undertake to share with them the responsibility for titles which the firm say they hold.

Senator DRAKE.—I do not think the Government are doing that.

Senator HIGGS.—I was unable to get information on the subject the other day. I asked whether the Government had inspected the titles of these lands, and whether they had ordered Messrs. Burns, Philp, and Company to hand over the titles. The Attorney-General said that these questions ought to be answered in a return. But the information ought to have been given by the Government. They should have told us whether they were ordering Burns, Philp, and Company to transfer titles to British settlers. If the Government support Burns, Philp, and Company in giving a title to certain settlers, no doubt that will weigh with the Land Commission to the great detriment of settlers, who have purchased the same land, but have not the same influence before the Court, and have not the Commonwealth Government behind them. I am given to understand that the native system of land tenure is what is described as the Matagali system, which extends from Fiji right throughout the Pacific Islands. The natives do not believe that they are selling their land in fee simple. They believe that they are selling it for use so long as the purchaser lives. They do not understand that they will not have any right to it again. There is great doubt about the so-called titles which Messrs. Burns, Philp, and Company claim that they have to 100,000 acres.

The PRESIDENT.—Does the honorable senator say that that has anything to do with the expenditure of £12,000?

Senator HIGGS.—Yes, because it is part of the agreement. I am dealing not only with the £6,000, which we already pay, but with the £6,000 that is proposed in connexion with the increased extension.

The PRESIDENT.—What has that got to do with titles to land?

Senator HIGGS.—It is part of my case, ~ this agreement only lasts so long as this Parliament continues to vote the subsidy. As soon as Parliament is aware of the farcical nature of the whole affair, I venture to say that it will stop the subsidy.

Senator GRAY.—If Burns, Philp, and Company fulfil the conditions?

Senator HIGGS.—If they fulfil all the conditions that are set out, I think that we ought not to pay £12,000, or £6,000 either. Part of that agreement with this firm involves the granting or the leasing of land to settlers from Australia for a term of fifty years at 1s. per acre per annum. The mail subsidy which we are about to pass carries with it an agreement in regard to 100,000 acres of land in the New Hebrides. How could the Vice-President of the Executive Council defend such a subsidy in any Court of law, if an endeavour were made to obtain an injunction against the spending of the money?

Senator STANIFORTH SMITH.—Did not Burns, Philp, and Company practically make a present of 100,000 acres to the Government?

Senator HIGGS.—That firm promised, if the Government liked, to hand over the whole of the 100,000 acres, which I dare say they would be glad to sell to-morrow, for £6,000.

Senator DRAKE.—The firm said they were going to hand over the land in order to develop trade.

Senator HIGGS.—It is the first time, I believe, in the history of this firm, that they have ever made an offer which appeared to be in the nature of giving something for nothing. Such an offer, at any rate, does not go to show that the land is of very high value. It is a mistake on the part of the Government to back this firm up in a matter of land titles, inasmuch as by doing so they may do an injustice to British or French settlers who may have titles to the same land.

Senator STANIFORTH SMITH.—The firm did not buy the land from the natives, but from a company.

Senator HIGGS.—Burns, Philp, and Company appear to have bought the land from the Australasian United Steam Navigation Company.

Senator DRAKE.—They bought it from the New Hebrides Company.

Senator WALKER.—And the New Hebrides Company got it from Scott, Henderson, and Company.

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Senator HIGGS.—We want to trace the ownership of this land to the beginning. Senator Walker himself has told us, on apparently good authority, that there are many titles to land in the New Hebrides.

Senator WALKER.—I was a director of the New Hebrides Company, and, therefore, can speak with authority. The company, of which Senator Fraser was also a director, was carried on for national purposes, and we never made, or looked for, a penny of profit. The company was formed and conducted in order to prevent the French monopolizing the trade.

Senator HIGGS.—It is proposed to pay £12,000 per annum for an increased mail service, while, at the present time, a better service than that offered is provided by the Messageries Maritimes Company.

Senator DRAKE.—That is a French company, and we desire a British company.

Senator STANIFORTH SMITH.—The French company is heavily subsidized to the extent of 8s. 4d. a mile.

Senator HIGGS.—I believe that has been denied. We have a free-trade Government, or rather a Government which is composed half of free-traders, and in this Chamber is supported almost entirely by staunch free-traders. It is those honorable senators who support a subsidy of £12,000 for a three-monthly service, when we already have a fortnightly service from the French company.

Senator GRAY.—To all these ports?

Senator HIGGS.—I have in my hand a small pamphlet, entitled *South Sea Island Cruises*, issued by Thomas Cook and Company, the tourist agents, who, in its pages, announce a series of trips by Burns, Philp, and Company's vessels. The trip described as No. 5 is to Vila and the Gilbert and Ellice Islands, and, occupying about three months, the holiday costs £40. It is announced that for this trip the *Ysabel* will leave on the 1st April, 1st August, and 1st December. I have also with me a time table of the Messageries Maritimes Company, and from this it appears that their large over-sea boats of 4,000 and 5,000 tons run every month to Noumea, and thence to the New Hebrides, about 150 miles distant. Two or three small steamers run.

Senator GRAY.—Give us the names of the ports at which the French Company's boats touch.

Senator HIGGS. — The mail steamer *Pacifique* runs direct to the islands, and the large over-sea boats of the monthly service run to Noumea, from whence, by the smaller boats, letters and postal articles from Sydney may be distributed to the New Hebrides. The *Pacifique*, which, I understand, receives a subsidy, goes to Noumea, Port Vila, Spiritu Santo, Port Sandwich, Epi, Mélé, Vila, Noumea again, and then to Sydney.

Senator DRAKE.—That does not include the Gilbert and Elice groups.

Senator HIGGS. — I understand that those islands are occupied by an American company, called the Pacific Islands Company, for whom Burns, Philp, and Company are the agents. In 1903, I am informed, the French Government placed a postal official on the *Pacifique*, to attend to all postal work on board, including that relating to parcels which do not contain money or valuables. The official is also intrusted with postal orders, for all residents in the group, and *vice versâ*, who may desire to make payments in New Caledonia. This movement for a subsidy is on the part of certain persons in Sydney. I suppose we cannot complain of the healthy competition between the business men in the various States capitals, but we who represent Brisbane and other commercial centres, have a right to see that fair play is given to all parts. As the usual hour for adjournment has now arrived, I ask leave to continue my remarks the next day of sitting.

Leave granted.

Debate adjourned.

SPECIAL ADJOURNMENT.

Motion (by Sir JOSIAH SYMON) agreed to—

That the Senate, at its rising, adjourn until 11.30 a.m. on Tuesday next.

COMPULSORY MILITARY TRAINING OF YOUTHS.

Senator DOBSON (Tasmania).—I propose to refer to the matter dealt with in the motion of which I have given notice, relating to the compulsory military training of youths, on the Defence Estimates, and I therefore move—

That order of the day No. 3, Private Business, be read and discharged.

Question resolved in the affirmative.

Senate adjourned at 4.2 p.m.

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House of Representatives.

Friday, 9 December, 1904.

Mr. SPEAKER took the chair at 10.30 a.m., and read prayers.

ENGLISH MAIL SERVICE.

Mr. THOMAS. — I desire to ask the Postmaster-General whether, in view of the fact that the Peninsular and Oriental Company permit passengers to travel to England first class, and to occupy the very best of the cabins, and to carry 10 cwt. of luggage, for the sum of £77, and that the company will charge at poundage rates £201 for 10 cwt. of letters, he will make such arrangements that Members of Parliament may be franked by the Department to England on the understanding that they take as personal luggage 10 cwt. of letters, thus enabling the Department to save £123 on every half-ton of letters sent to England, and at the same time to permit members to visit England, thus cementing the bonds of Empire.

Mr. REID.—Are members to be asked to carry registered letters?

Mr. SYDNEY SMITH.—If members of the Opposition will only undertake to go to England after the recess, the Government will be only too glad to assist them to do so.

Mr. SPENCE.—The Postmaster-General might, in view of the great saving that would be effected, also arrange for honorable members to take their wives with them.

KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY BILL.

Mr. FRAZER.—According to the Journals of the Senate, the Kalgoorlie to Port Augusta Survey Bill is set down as the third Order of the Day for to-day.

Mr. SPEAKER.—Order; the honorable member must not refer to the business-paper of the other Chamber.

Mr. FRAZER.—I should like to know if it is the intention of the Government to refrain from closing the session until such time as the Senate has been afforded an opportunity to deal with the Bill.

Mr. REID.—I should not like to put the matter in that form, but I wish to say that the Government are thoroughly in earnest in their desire to see the matter settled this session.

LIFE ASSURANCE COMPANIES BILL.

Mr. BATCHELOR.—I desire to ask the Prime Minister whether he did not give a promise, or an implied promise, to the honorable and learned member for Darling Downs that he would place the Life Assurance Companies Bill first on the list of Orders of the Day for to-day.

Mr. REID.—No. I am very anxious to help the honorable and learned member, who has charge of the Bill, or any other honorable member who may be in charge of it in his absence, but I did not, at any time, make a promise that I would take the Bill at the beginning of the sitting. I said that I would take it at the end of a sitting, if possible—I did not say to-day. I am very anxious to assist in the passing of the Bill, and if honorable members do not object we might deal with it at the end of our present sitting. It has been well discussed.

CONCILIATION AND ARBITRATION BILL.

Mr. SPEAKER.—I have to announce the receipt of the following message from the Senate:—

The Senate returns to the House of Representatives the Bill intituled "A Bill for an Act relating to Conciliation and Arbitration for the prevention and settlement of industrial disputes extending beyond the limits of any one State," and acquaints the House that the Senate does not insist upon its amendments Nos. 1, 2, and 3, disagreed to by the House of Representatives, and agrees to the amendment of the House of Representatives upon amendment No. 4 of the Senate.

COST OF REFERENDUM.

Mr. MALONEY asked the Prime Minister, *upon notice*—

Whether, to enable Parliament to consider the advisability of adopting a system of obtaining the decision of the electors upon Bills in dispute between the two Houses, he would state the approximate cost of—

(1) Supplying 2,000,000 "Reply" duplicate voting cards(similar to post cards)?
(2) Addressing same to all enrolled adults?
(3) Counting replies received?

Mr. REID.—I shall have great pleasure in making the necessary inquiries.

LIEUT. T. G. L. SCOTT.

Mr. FRAZER asked the Minister of Defence, *upon notice*—

1. Whether he is aware that, in spite of the decision of two Ministers that Lieutenant T. G. L. Scott, of the Sixth Australian Infantry Regiment, is entitled to his promotion, the military authorities refuse to gazette it?
2. Will he insist on the decision of the Ministers being respected, and the promotion gazetted without delay?

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Mr. McCAY.—The answers to the honorable member's questions are as follow:—

1. It is not true that the military authorities refuse to gazette the promotion.

2. Instructions were given a short time ago that this officer should be granted his promotion, and it is intended that the necessary order shall be submitted at the next meeting of the Executive.

SUSPENSION OF STANDING ORDERS.

Motion (by Mr. REID) agreed to—

That for the rest of the session, when necessary, the Standing Orders be suspended so as to allow the remaining stages of any Bills, after their second reading, to be taken without delay.

MANUFACTURES ENCOURAGEMENT BILL.

SECOND READING.

Debate resumed from 21st October (*vide* page 5969) on motion by Sir WILLIAM LYNE—

That the Bill be now read a second time.

Mr. GLYNN (Angas).—I have listened to the debates upon the measure, and I utterly fail to see the force of the arguments which have been used by the honorable member for Eden-Monaro and others who are supporting it. I object to the measure, first, because, being associated with the Tariff, it is certain that it will practically fix the import duties upon iron, and because it is a declared part of the policy of the advocates of the Bill that the protection granted under the Tariff shall be continued after the bonus period has expired. The imposition of these duties will have the effect of increasing the price of raw iron to a very large extent, and will therefore hamper production, because, as has been admitted, iron enters very largely into the raw material of a great number of industries. Once it is granted, however, the bonus is certain to be continued. Upon that point I need do no more than refer to the fact that at the present time an agitation is being carried on with a view to give permanence to the sugar bonuses. If we can judge from the history of the iron industry in America, protection, either direct or indirect, leads to tremendous fluctuations in production. That has been the history of the iron industry in the United States for the last seventy or eighty years. Over-production is followed by periods of collapse, and then the pendulum again swings to the other extreme. That, I need hardly say, does not indicate a healthy condition of affairs. If the bonuses are once granted there is certain to be a demand for their increase. Canada started in 1884 with a bonus of $2 per ton upon raw iron. This was increased in 1899 to $3 per ton. What has been the result? According to a blue book published by order of the House of Commons during the last few months, Mr. Llewellyn Smith, a member of the Board of Trade, states—

But, although the bonus is on a higher scale in the case of pig iron made from native ores, the pig iron produced in Canada from Canadian ore is much less than that produced from imported ores, and the greater part of the Canadian ore is exported.

That indicates the failure of the bonus system, because the greater part of the iron manufactured in Canada is produced from other than native ores. The honorable and learned member for Darling Downs, although supporting the Bill, practically indicated the failure of the Canadian bonus system by the figures he quoted, which showed that Canada had produced 274,000 tons of pig iron, of which only 46,000 tons had been produced from native ores. Although the iron bonus has been in operation in Canada since, I think, 1884, it was first intended to cover a period of only seven or eight years. In other words, it was considered that the total demand in the home markets would be met within that period. The production of iron from local ores is, however, so small that no other conclusion can be arrived at than that the bonus system has entirely failed to accomplish its object. In Canada the local price of iron is actually higher than the export price. In fact, the iron-masters of the United Kingdom, rather than those of Canada, benefit from the Canadian bonus, because a great deal of the surplus not required for local purposes is dumped down in the United Kingdom at prices lower than those ruling in the Dominion. I forget the exact figures, but I think that close upon 125,000 tons of Canadian iron was dumped down in the United Kingdom during the year before last. The honorable member for Eden-Monaro also mentioned that of the completed furnaces in Canada upon the 31st December, 1902, seven only were in blast, five of them being idle. I need scarcely point out that that did not indicate that the industry was as flourishing as the supporters of the bonus expected that it would have been. According to the arguments of some honorable members, the policy of encouragement upon what it is now proposed to launch us is not required.

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It has been stated by Mr. Sandford that iron can be locally produced from native ores at a cost of about 35s. per ton, which, I think, is about half the import price. That shows that the local manufacturer will have the benefit of substantial natural protection. If we have all the natural advantages claimed by the supporters of the Bill, in the shape of large ore deposits, ample coal supplies, and other requisites, the industry should not require any special protection such as that now contemplated. It must be remembered that our local markets are particularly limited. I am not quite sure as to the quantity of iron consumed in the Commonwealth, but I understand that it amounts to about 35,000 tons per annum, one-third of which quantity is required by the States Governments. Therefore, if we gave a bonus for the manufacture of iron, we should enable those engaged in the industry to impose a stiff tax upon the States Governments as consumers. Then, again, I contend that our ore bodies are not sufficiently concentrated, and that in America, and, in fact, everywhere else, such conditions have been found to considerably discount the chances of success. It has been shown that the amount of employment that will be afforded by the establishment of the industry will be comparatively small. In America, in connexion with the Duquesne blast furnaces, Pittsburg, less than 500 men are employed, although the output is about 750,000 tons annually. The honorable member for Eden-Monaro referred to the tremendous development which has taken place in the iron production of America, and by inference alleged that this was due to the policy which had been adopted of protecting the industry. His comparative statistics, however, possess very little value, seeing that he starts with the year 1867, because we know that in America production was at a minimum from 1861 to 1865. But the moment that the war ended, industry received a tremendous impetus, in which, of course, the iron industry participated. From about 1865, the world's demand for iron as a raw material has largely increased. This to a great extent accounts for the American development. The production of the world at the present time is about 50,000,000 tons annually.

Mr. Hutchison.—That fact argues that the demand will increase in Australia.

Mr. GLYNN.—It is an argument that we do not require to foster the industry by means of a bonus, because of the natural demand for the raw material. Without any change in the fiscal conditions in America, production has enormously increased within the past thirty or forty years. This fact has been due to the greatly increased demand for iron in various directions—for example, in the ship-building line. The ironclad and the steel-bound vessel have been substituted for the old "wooden walls." Then, again, the local demand for iron in America is greater than that in any other country. We all know that in that country iron enters very largely into house construction. It forms the skeleton frame of a great many of the buildings there. Then, again, the bridges in the United States are mostly constructed of iron. I repeat that the local demand has developed sufficiently during the past thirty or forty years to account for the great increase in iron production in America. At the same time, we must recollect that as far back as 1826 the iron industry there enjoyed a protection of 100 per cent. This duty continued to operate for many years, but, despite its aid, the industry remained in its infancy until about 1865, thus indicating that it is not protection which is responsible for its great development. In the United Kingdom, no protection has been afforded to the iron industry, which, however, has fairly well maintained its position. In 1860, the production in the United States amounted to only 821,000 tons, whereas it is now nearly 18,000,000 tons. The German production in 1860, was 519,000 tons, but the production in the United Kingdom in that year was 3,800,000 tons. So that, comparative increases are no test of the efficacy of protection as against free-trade. But the production in the United Kingdom did not stop at 3,800,000 tons. It also took advantage of the increased demand, due to the causes which I have mentioned, so that we find that whilst the United States produced nearly 18,000,000 tons of iron in 1902-3, the United Kingdom produced 8,680,000 tons, thus indicating no decay of the industry in the mother country.

Mr. Chanter.—The production of the United States is the greater.

Mr. GLYNN.—But we cannot compare the enormous deposits of the United States with those of the United Kingdom. The latter annually imports about 60,000 tons of Swedish ore for special purposes. It also imports ductile iron from Canada, much to the benefit of the manufactures of the

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United Kingdom, because the products of this iron are so much cheaper. The effect of this dumping has been to enable the ironfounders of the United Kingdom to successfully compete against Germany for contracts in Copenhagen and several other places. The production in Germany is about 8,518,000 tons per annum. As a matter of fact, the production per head in the United Kingdom is about equal to that of America, which, after all, is the true basis of comparison. In 1902-3, the production per head in the United States was 0·23, in the United Kingdom it was 0·21, in Germany—where the industry is stiffly protected—it was only 0·15, and in Russia—where it is also protected—it was 0·02. I do not think that I need elaborate my argument any further. I have shown that under free-trade conditions, the iron industry has flourished. Consequently, if we possess tremendous deposits of iron and coal, the protection of coal against the imported article is sufficient to permit of the development of those deposits. If the industry has not been established, it is not because of the absence of a bonus. I claim that it would establish a bad principle to give such a tremendous bonus to private individuals. In the first place, the benefit thus conferred must to a large extent be monopolized by a few, and, in the second, the incidental benefits will be confined practically to one or two States, which possess the greatest deposits of ore, and in which the conditions for successful production are known to exist. I am firmly of opinion that unless there is competition from outside, the local producers who receive the bonus will be able to mulct the State as an entity by charging increased prices. For these reasons, I shall vote against the Bill.

Mr. CHANTER (Riverina).—I intend to support the second reading of this measure, and my only regret is that it cannot be immediately passed through Committee, so that it might become law as soon as possible. I cannot understand the arguments of the honorable and learned member for Angas. He has affirmed that the establishment of the iron industry will not afford a very large amount of employment. I do not propose to quote any statistics in that connexion. I merely wish to view the matter from a broad stand-point. I would ask the honorable member if he is not aware that the importations of iron into the Commonwealth last year were valued at about £8,000,000?

Mr. GLYNN.—That amount includes the value of manufactured articles.

Mr. CHANTER.—Of course it does. When we reflect that last year about £8,000,000 were expended by the Commonwealth in the purchase of manufactured articles, of which iron and steel form the base, it is clear that the local production of iron would afford a very large measure of employment. The honorable and learned member also affirms that the industry requires no bonus to assist its establishment. Nature has endowed almost every State in Australia with large deposits of iron ore, and yet thousands of men are out of employment. The honorable and learned member for Angas has referred to New South Wales. Does he not know that several attempts to manufacture iron and steel from native ore have been made in that State? What was the result? The moment the attempt was made a combination of importers was established for the purpose of crushing the industry. In New South Wales, hundreds of thousands of pounds have been expended in an endeavour to develop the iron industry. The article produced there is acknowledged to be equal to any produced in the world. The honorable and learned member for Angas is opposed to the encouragement of this industry either by bonus, or by way of a fair protective duty. I would point out to him that the natural demand to which he referred has always been present. Yet year after year, we find that no successful attempt has been made to establish the industry, and to provide employment to a large number of artisans and mechanics. To my mind this Bill should not receive opposition even from the free-trade section of this House, seeing that it provides that no bonus shall be payable until a certain article has actually been produced. It will thus be seen that the money which it is proposed to expend by way of bonus cannot be misapplied, as has been the case in some of the States. Those who embark upon the undertaking will have to incur an expenditure of hundreds of thousands of pounds before they can produce the necessary pig-iron to enable them to obtain the modest bonus of 12s. per ton. These bonuses are to extend over a period of only five years, and the total amount to be paid in any one year is not to exceed £50,000.

Mr. POYNTON.—All bonus systems are started in the same way.

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Mr. CHANTER.—We cannot expect to make a start with the manufacture of iron and steel unless we offer some encouragement to capitalists to invest their money in the industry. The sooner we do so the better.

Mr. POYNTON.—The difficulty is to see where it will end.

Mr. CHANTER.—That is a matter with which we have no concern; it will be for a future Parliament to say where the system shall end. All we have to consider at present is whether it is desirable to establish the industry.

Mr. HENRY WILLIS.—I thought the honorable member was a Chamberlainite. Mr. Chamberlain does not approve of this system.

Mr. CHANTER.—What does it matter, so far as this question is concerned, whether I am a Chamberlainite or not?

Mr. HENRY WILLIS. — Are not these bonuses to be paid to secure the establishment of a new industry?

Mr. CHANTER.—I may agree with the honorable member for Robertson on some questions, and disagree with him on others. I do not know what opinion Mr. Chamberlain holds in regard to this matter. That is a matter of no concern to me; I am concerned only with the opinions which honorable members may entertain with regard to it. We have the power to say whether the production of iron and steel in Australia shall be encouraged, but Mr. Chamberlain has not. We have to determine the question for ourselves, and it is from that point of view that I approach its consideration. It is an undeniable fact that nature has richly endowed most, if not all, of the States, with the raw materials necessary for this industry. She has distributed them very bountifully in New South Wales, and with a still more liberal hand in Tasmania, whilst good supplies are also to be obtained in Victoria and Queensland. All this wealth is lying dormant in the earth, and surely we can devise some means to give it a commercial value. If honorable members opposite object to the imposition of duties to encourage the industry, we can adopt some other system. Are not bonuses really given for the encouragement of other industries? We are continually assisting the development of the agricultural, pastoral, and other industries of Australia by votes of various kinds, which, although known by different names, are really bonuses. The equities of the Bill are so manifest that they should appeal to every free-trader in the Parliament. It cannot be said that it is proposed to impose duties before the industry is established. If that course were followed, the price of these articles to the consumer would be increased pending the competition which would come into play with the establishment of the industry, and which would rapidly level prices. But all that it is proposed to do is to grant bonuses during a period of five years in order that the industry may be given a fair opportunity to become thoroughly established. When that has been accomplished we shall have a competition prevailing between the importers and the local manufacturers which will bring down prices to a fair level, and be to the advantage of the consumer. We have to bear in mind that the establishment of the industry would lead to the employment of a vast number of persons, and to the creation of great wealth. The honorable and learned member for Angas has quoted certain statistics with which it is not my intention to deal. But is it not a fact that every nation which has thoroughly developed its industries by direct legislative encouragement has reaped the full benefit of such a system—that it has opened up new avenues of employment in this way, and materially enhanced its prosperity? The honorable and learned member for Angas has referred to the teeming millions of the old world and the system that prevails there, but how could we expect capitalists to invest their money in this industry in Australia unless we offered them some assistance in meeting the attacks of a ring of monopolistic importers who would do their utmost to crush them? We simply propose to assist the industry in its infant days, so that it may become a strong and healthy one. Capitalists have told us, in petitions addressed to the House and by other means, that, if they were given an opportunity to invest in the industry with a reasonable guarantee that they would obtain some fair return for their outlay, they would be prepared to avail themselves of it, but that they must decline to enter upon the undertaking without any State aid against the competition of a strong monopolistic combination. It is well known that during the life of the last Parliament a company purchased something like twenty acres of land near Sydney, in the hope that this Bill would be passed, and that they intended to expend hundreds of thousands of pounds in the erection of the necessary machinery for the utilization of

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the native iron ores of New South Wales and Tasmania. In the Blue Mountains, where nature has also distributed the raw material with a lavish hand, a serious attempt was likewise made by a company to embark upon the industry on a very large scale. Capital was to be obtained in England, and nearly one million pounds was to be at once expended in laying down the foundations of the industry. These preliminaries, however, came to a sudden termination, because it was seen that there was a hesitancy on the part of a section of the Parliament to give those interested a guarantee that the money which they proposed to invest in this way would not be entirely lost. That is the position which we have to face today. The honorable and learned member for Angas quoted certain statistics, from which he endeavoured to show that the United Kingdom had held its own with other parts of the world in the manufacture of iron and steel. I am at a loss to know where he obtained his information. That which I have obtained is quite the reverse. The United Kingdom, instead of holding its own with other countries in the production of iron and steel, has fallen behind.

Mr. GLYNN.—I know that it has in the matter of comparative production, but not in the aggregate.

Mr. CHANTER.—I am speaking of the position of the industry in the United Kingdom, as compared with that of Germany and the United States of America.

Mr. GLYNN.—I admitted that the output in those countries had increased. I gave the figures relating to the production in the United Kingdom and the United States of America.

Mr. CHANTER.—In view of that admission, I need not pursue this line of argument further than to ask why the industry in Germany and the United States of America has made such wonderful progress as compared with that made by it in the United Kingdom? On the one hand, we find England under free-trade retrogressing, whilst, on the other, the United States of America and Germany, as the result of a protective policy, are rapidly forging ahead. I think it has been held by the greatest writers on the subject that the prosperity of a nation depends upon the utilization of its own native productions. It has been shown again and again that the iron and steel industry offers the widest field for employment. It involves not merely the extraction of the coal and iron from the soil, but numerous branches of manufacture which give employment to thousands of people, and are productive of much wealth. We have all the raw material in the Commonwealth, and it remains for us only to devise some means to give it a commercial value. Would any one have the temerity to say that if we could manufacture only one-half of the imports of iron and steel into Australia—which would represent a value of between £3,000,000 and £4,000,000 per annum—it would not be advantageous to the capitalist, the worker, and the people generally? Would it not result in the building up of kindred industries? The honorable and learned member for Angas has referred to the importation of iron for bridge building purposes. We all know that it is used in these and many other directions, and surely we ought to devise some means to encourage its local manufacture, if only for the benefit of our people. I am anxious that this Bill should be passed as soon as possible, and therefore shall not detain the House any further. I believe that the Bill will be attended with the most beneficial results—that it will lead to the establishment of an industry which will provide employment for hundreds of persons now seeking work in vain, and bear favorable comparison with the pastoral, agricultural, and other industries in the community as a producer of wealth and a means of employment. I am satisfied that once established, it would become, if not the leading, at all events one of the leading, industries of Australia.

Mr. HUTCHISON (Hindmarsh).—Although the session has extended over many months, I am sorry to say that nothing has been done by us to encourage the utilization of the native products of Australia, and to give direct employment to the many thousands of unemployed in the Commonwealth. In the closing days of the session we have now an opportunity to do something that will lead to the opening up of a wide field of employment. The honorable and learned member for Angas objects to the introduction of a bonus system in this way, because he says we do not know what it would lead to. He has referred to the fact that Canada, having granted a bonus for the encouragement of the iron and steel industry, was subsequently called upon to largely increase it. But because Canada, in increasing the bonus, has done something

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which, in his opinion, is not in the best interests of the country that is no reason why he should say that we should be likely to do the same. I am satisfied that the Parliament of the Dominion of Canada would not have increased the bonus unless it thought it would be to the advantage of the country, and I am equally satisfied that if some future Parliament of Australia decided to continue or increase the bonuses proposed in this Bill, it would have equally good grounds for doing so. I do not think, however, that it would be necessary, in our case, to grant any increase. The honorable and learned member for Angas urged that if iron could be produced so much cheaper in the Commonwealth than in other parts of the world, there ought to be sufficient natural protection to encourage its local manufacture. But the capitalists who are prepared, under reasonable conditions, to put their money into a venture of this kind, require some protection at the outset, because they know that the importers would combine and make a determined effort to crush them at the inception of their operations. They would do their utmost, even at the risk of sustaining enormous losses, to cripple the industry in its infancy. We have to give those who are ready to take up this work an opportunity to fight against such a combination on something like equal terms. The system which this Bill proposes is frequently resorted to in other lands. The honorable and learned member for Angas asserted that the granting of a bonus in Canada had led to dumping. It has always been the cry of free-traders that very little dumping takes place, but now, because it suits the honorable member's purpose to adopt a different view, he asserts that the introduction of this system would have that result. If the granting of bonuses has proved beneficial in other cases, why should we not adopt the system to secure the establishment of the iron and steel industry in Australia? We have been told by the honorable member for Riverina that £8,000,000 worth of manufactured iron and steel goods is yearly imported into the Commonwealth, and I hold that there is no reason why we should not manufacture all these goods for ourselves. If we did so it would certainly be to the material advantage of our producers. We know that they do not reap the advantage of the cheaply - produced articles of the old country. Only the other day I was informed that a machine used by our farmers, which has been sold here for £37, now, because of a combination, costs £45. If we gave manufacturers sufficient encouragement to erect plant in Australia to make such machinery, I am satisfied that our people would be able to get their implements at a cheaper rate than they do now. The honorable and learned member for Angas told us that the Australian demand is a limited one, and yet he gave figures showing that the output of the world had increased from 15,000,000 to 50,000,000 tons. Undoubtedly our requirements are at the present time limited, but when the iron industry is established here they will have become much larger than they are now. No one will deny that that indusfry is the basis of all manufacturing industries, and would give a vast amount of employment. I shall not enter into a detailed discussion on the subject, however, because I am anxious to see the Bill pushed through. The members of the party to which I belong, and I myself, are strongly in favour of the nationalization of the iron industry, but if we are unable to carry a clause which would provide for that, I shall be prepared to allow the industry to be conducted by private enterprise. It has been objected that if the industry is conducted by private enterprise, a monopoly will be created, because it will not be possible to establish more than one or two iron works in the Commonwealth. My answer to that is, that if it becomes a monopoly, it will be the easiest thing in the world to provide for the taking over of it by the Government on reasonable terms. In my opinion, the Commonwealth will not suffer, and our producers will not suffer, by the granting of the proposed bonus. As was pointed out by the honorable member for Riverina, there is an abundant supply of coal in Australia, and iron ore is to be found in all the States. South Australia possesses what has been proved to be the finest ore in the Commonwealth, in unlimited quantities, although she has no coal. In course of time, however, that ore will either be smelted locally or will be sent for smelting to other parts of the Commonwealth where there is coal. It will be a reflection on this House if, after such a wasted session, we allow Parliament to be prorogued without doing something, not only for our workers, but also for our unemployed. The honorable and learned member for Angas has

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pointed out that during war time an extraordinary impetus has been given to the iron industry of the United States, but that afterwards a reaction has set in which has caused the employés engaged in it to suffer. That must occur in connexion with every country affected by war. We, however, need not fear, either that our iron industry will receive an impetus from such a cause, or that there will be a consequent dismissal of employés during a subsequent period of depression.

Mr. SALMON (Laanecoorie).—I desire to add to what has already been said the expression of my earnest hope that we shall be allowed to bring this matter to a conclusion. I feel that the Tariff which was passed by the last Parliament will not be anything like complete until a measure such as this has been enacted. Indeed, it was anticipated when division VIA. was agreed to that a measure of this kind would follow almost immediately. To my mind, the arguments which have been adduced against the granting of bonuses have not been altogether fair, because the worst results of the bonus system have been put before the House as though they were the ordinary and only results. In Victoria we have an object lesson in this matter of which the House might well take notice. There was a time in our history when we were in depths of depression such as we had never previously reached. But we were dragged out of them through the operation of a bonus. There is not the slightest doubt that the butter bonus, which was instituted by the Hon. J. L. Dow, was the main factor in assisting Victoria to successfully combat the terrible financial difficulties which we had then to face. Some honorable members have referred to that bonus by way of reproach, because of certain revelations which have recently been made concerning the channels into which part of it flowed. But those revelations do not affect either the principle or the result; they only show that had the bonus in all cases been paid to the right persons, the beneficial result would have been far greater. Notwithstanding the improper diversion of money which Parliament intended to benefit a particular class, that class and the community generally have benefited inestimably from the operation of the bonus.

Mr. HUTCHISON.—It established the butter industry.

Mr. SALMON.—Undoubtedly it did, and I would remind those who have said that once a bonus is granted the Government must keep on spoon-feeding the industry, that in the case of the Victorian butter industry no bonus has been paid for many years past, but the industry is able to stand alone, notwithstanding the very improper proceedings of many connected with the butter export trade In discussing a matter of this kind we should not pick out particular cases of abuse, but should rely on proper administration for the right conduct of the system we adopt. I feel sure that we have no need to fear a repetition of unfortunate occurrences such as those which in Victoria have done so much to damage what I regard as often a necessary policy for the establishment of a new industry. In common with those who have preceded me, I desire that we shall deal with the measure as rapidly as possible, and, although under other circumstances, I would speak at greater length, I feel that the interests which we have at heart will be best served by brevity. Canada has been cited as a country which has found it necessary to increase her bonuses, notwithstanding the fact that they were accompanied by a substantial import duty. The results of the Canadian bonus system, however, should give us the highest anticipations for the success of the iron industry in Australia. Although at first it was found necessary to increase the bonuses, they have been gradually decreasing, there having been recently a reduction of 1s. 3d., and, probably at no distant date, the granting of bonuses will entirely cease. The honorable member for Hindmarsh alluded to the fact that, although we have been in session for nine months continuously, and have worked assiduously and honestly, we have not been able to accomplish any legislation to give the employment which is so much needed by our people, and I would urge upon the House the fact that the passing of this measure will open up avenues of employment, which will give work to a large number of men who are at present without it. In addition to the iron industry itself, there will be a number of subsidiary industries which will employ thousands of men. It has been anticipated that 3,000 men will find employment within two years and a half in connexion with the iron industry itself, but that is no criterion of the number which will find employment in connexion with other industries if we provide for the rapid, and. I think, cheaper, production of iron and steel in Australia. We have magnificent

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resources, and everything necessary for the success of the iron industry. All that is required is to start it, and to give it opportunities for development. We must recognise, however, that, because of our limited population, it is rather much to expect private enterprise to expend the enormous capital required for the inception of the industry, without a guarantee that it will have some prospect of avoiding loss. To my mind, no time should be wasted in bringing about a new era of prosperity, in which Australia will be independent of all other parts of the world. By securing an efficient and regular supply of iron, we shall be retaining in their employment, the workers who are now here, and shall be finding employment for others, while, if a European war should arise, we shall be able to keep our industries going without intermission.

Mr. BATCHELOR (Boothby).—When the Bill was before the last Parliament, I strenuously opposed it, and although I do not think it necessary to repeat now the arguments which I advanced then, my opinion as to the inadvisability of employing public funds to build up a monopoly in the iron industry has in no way changed. The honorable member for Laanecoorie spoke of the Victorian butter bonus as on all fours with the proposed bonus for the production of iron, but there are many points of difference. In the first place, the butter bonuses granted in Victoria and South Australia were given, not for the production, but for the export of butter, the requirements of the home market having been already complied with. Furthermore, the circumstances surrounding the butter industry were such as to preclude any possibility of a monopoly. The conditions of the iron industry, however, are such that the establishment of a monopoly is inevitable. It is not suggested that there could be any competition except from outside. There is not room in the Commonwealth for more than one smelting works, and therefore those who establish the industry must exercise control over the whole iron production of Australia. I do not desire to aid in bringing about such a condition of affairs. I intend, however, to vote for the second reading of the measure in the hope that honorable members will agree to offer a bonus to any State that may be willing to undertake the establishment of the industry. Failing that, we must impose conditions which will enable a State, or the Commonwealth, at any time, to take over the industry. My attitude towards the Bill at a later stage will be determined by the shape which it assumes in Committee.

Sir WILLIAM LYNE.—Provision is now made in the Bill for the State taking over the industry.

Mr. BATCHELOR.—Yes, but that may not be retained in the measure. I do not think there is much chance of passing the Bill this session, but it is certainly due to those honorable members who have taken such a keen interest in it that the fullest opportunity should be presented for discussion.

Mr. SKENE (Grampians).—I intend to vote for the second reading of the Bill, because I think that its principle is consistent with the policy we have adopted for the Commonwealth. The great American humourist, Mark Twain, has said that a hair-splitting nicety of creed is necessary for the salvation of some souls, and I think that we are rather inclined to hair-splitting when we discuss in the abstract such a question as that now before us. Whilst I call myself a free-trader, I believe with John Stuart Mill, that it may be well in a new country to encourage industry by the granting of bonuses or bounties.

Mr. HENRY WILLIS.—I suppose the honorable member knows that Cobden said that the expression of that idea had undone all the good that he had ever been able to accomplish?

Mr. SKENE.—I have often heard it said that John Stuart Mill recanted to a certain extent, but I have not been able to find any record of his recantation. The honorable member for Coolgardie told me that the proof was to be found in a letter written to Sir Henry Parkes, contained in a volume in our Library.

Mr. ROBINSON.—John Stuart Mill wrote a letter to Sir Henry Parkes to the effect that the way in which his doctrine had been applied in Australia had made him regret that he had ever published it.

Mr. SKENE.—But that is not a recantation of his doctrine. I should agree with that myself. In private life we adopt the principle that is embodied in this Bill. I have done it myself, and my father before me. I refer to spending certain sums of money under such circumstances that they will yield no direct return, but will probably confer indirect benefits upon us, which will more than compensate us for the outlay. It appears to me that the conditions surrounding the iron industry are compara-

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tively simple. Those who engage in farming occupations are largely dependent upon climatic and other conditions, which render their occupation very precarious, whereas if we have large iron deposits, and the necessary workmen to utilize them, we can calculate, with some degree of certainty, upon the result. Of course, capital must be invested in order to enable the workmen to operate upon the material. I am opposed to the State carrying on the industry. The capitalists who embarked in this enterprise, would have to invest such a large amount of money before they could claim one penny of the bonus that we should have a very substantial guarantee of their *bona fides*. I think we may rely upon a very large amount of employment being provided. The honorable member for Angas took the contrary view; but I would point out that in Carnegie's works in the United States, no less than 168,000 workmen are employed. That is, of course, a very large undertaking; and we should do well if we could find employment for one-tenth of that number.

Mr. ROBINSON.—All those hands are not employed in the production of pig iron alone.

Mr. SKENE.—That is the number of hands employed in what are called the principal and subsidiary works.

Mr. FOWLER.—Those men are engaged in the production of iron and iron goods, such as rails and other manufactured products.

Mr. SKENE.—Yes, but a large number are engaged in the production of the raw material. I obtained my figures direct from the secretary of the company which is now conducting Carnegie's works, and I think that they are sufficient to show that a large number of hands will find employment if the iron industry is established in our midst. The honorable member for Hindmarsh says that we could safeguard ourselves against the creation of an undesirable monopoly by empowering the State to take over the industry. There is a much easier method of protecting the interests of the public. If the competition among the producers of iron within the Commonwealth should prove to be insufficient to keep down prices, we might suspend the operation of the protective duties, and thus bring the local manufacturers into direct competition with the outside world until they were disposed to act reasonably.

Mr. ROBINSON.—Does the honorable member think that a duty should be imposed upon agricultural implements in the manner proposed by the Bill?

Mr. SKENE.—I shall consider that matter when the time comes. At present, we are dealing only with the bonuses. I shall be guided to a very large extent by the trend of events in the meantime. If the competition amongst those engaged in the manufacture of iron kept down prices, I should not object to the imposition of reasonable duties.

Mr. ROBINSON.—Does the honorable member think it possible that more than one iron works will be established, when a single blast furnace could produce all the iron necessary to meet the requirements of Australia and India?

Mr. SKENE.—I am told that there is a very large outlet for raw and manufactured iron. I could not imagine that any capitalists would be willing to invest, perhaps, £1,000,000, as has been stated in connexion with one company, in such an undertaking as that contemplated unless they were fully assured that they would find a profitable outlet for their products. Further, our remoteness from the centres of iron production and manufacture would place us at a great disadvantage in the event of our supplies from abroad being interrupted by the outbreak of war. We might not be able to procure sufficient iron for the manufacture of the munitions of war necessary for our defence. Therefore, I think that it is highly desirable that we should be self-sustaining in that regard. At present, I am in favour of granting bonuses, and I shall be prepared, afterwards, to consider how far protection should be extended to the industry by means of import duties. I am strongly opposed to imposing protective duties for all time. I do not think an industry should be bolstered up when it has reached the stage of senile decay. Bonuses should be given and duties should be imposed purely for the purpose of giving an industry a start. I shall vote for the second reading of the Bill.

Mr. POYNTON (Grey).—The Government appear to me to present a most humiliating spectacle in connexion with this measure. Their life depends upon a single vote, and they have found it necessary to placate certain honorable members by affording facilities for the discussion of a Bill by means of which it is proposed to tax the

people of the Commonweath to the extent of £350,000.

Mr. SALMON.—The last Government did the same thing.

Mr. POYNTON.—They had no chance to do so. If they had taken any such action, I should have condemned them in terms similar to those I am now employing. One would judge from the debate that all the evidence collected was in favour of the proposal in the Bill. But what are the facts? The advocates of the measure have not dared to refer to the report of the Bonus Commission. Is there any evidence in that report that there was anything like unanimity on the part of those honorable members who were deputed to specially investigate this question? Twelve members were appointed to that Commission. They collected a considerable mass of evidence, which they carefully sifted, and they were equally divided upon the question of whether it was wise to offer this bonus. What is called the dissentient report states:

We, the undersigned members of the Commission, are against the passage through Parliament of the Bill for the payment of bonuses by the Federal Government for the establishment of the iron industry within the Commonwealth.

That report is signed by W. M. Hughes, Samuel Winter Cooke, J. W. Kirwan, Geo. W. Fuller, J. Chris. Watson, and Joseph Cook. It proceeds:—

We recognise that the Commonwealth possesses vast deposits of iron ore of high grade, coal, &c., for iron works. Ample evidence has been given to satisfy us on that point. Furthermore, we believe it would be a considerable advantage to have the industry in operation in a flourishing condition, and on a proper basis. In our opinion, however, such a desirable result would not be best promoted by the Bill we have been asked to consider.

The Bill provides for the payment of £324,000 of the people's money to private individuals engaged in an enterprise for their private gain. There can be no guarantee that the bonuses proposed would permanently establish the industry, though it is probable the inducements offered might be instrumental in forming speculative companies.

Among the most important paragraphs in the report are the following:—

One of the witnesses, Mr. Sandford, managing director of the Eskbank Iron Works, New South Wales, stated that he had made an agreement with an English syndicate to spend £250,000 in extending the Lithgow works if the Bill passed. In answer to another question, Mr. Sandford said that to make pig-iron he wanted a plant involving an expenditure of from £100,000 to £125,000. This estimate is less than half the sum proposed to be paid in bonuses.

They add—

The Canadian experience is not encouraging. The bonus system for iron production was first instituted there in 1883. Subsequently a Bill was passed, in 1897, further continuing the system. Another Bill was carried in 1899 providing for the diminution of the bounties by a sliding scale expiring in 1907. In July of this year the Dominion Government decided to postpone the operation of this sliding scale for one year, which practically means a further increase in the bounties paid.

Nearly all the witnesses examined before the Commission agreed that the payment of bonuses would be useless unless followed by a duty. Experience shows that if the payment of bonuses be commenced the liability of the Commonwealth will not be limited to the sum proposed under the Bill, but that further Government aid will be sought.

The evidence failed to show that there was any commercial necessity for the bonuses proposed. Mr. Sandford said he could produce pig-iron at Lithgow under 35s. a ton. Allowing for freight to Sydney, Melbourne, and other parts of the Commonwealth, he could, on this showing, compete favorably with any imported pig-iron. Other witnesses, who, however, had less experience than Mr. Sandford, doubted the correctness of his estimate of cost. But, on the supposition of his having made an under estimate, he would still, even without a bonus, be in an excellent position as compared with the imported commodity.

No effort was made to bring forward witnesses against the Bill. Notwithstanding that fact, the evidence given failed to establish a case in its favour. Several witnesses thought the establishment of ironworks in the Commonwealth premature, and much of the evidence was strongly against any attempt by the Government to establish the iron industry by the payment of bonuses.

Yet in the face of a report of that character the House is asked, at the eleventh hour, to pass a measure which has been handed over to the control of a private member involving an initial expenditure of something like £350,000. Experience of the operation of the bonus system induces me to say that when once it has been initiated, we can never foresee where it will end. In Canada, for example, the original intention was to limit its operation to a few years. But it has been almost indefinitely extended. No doubt, if we perused the Canadian *Hansard* of twenty-one years ago, we should find that the arguments which were then adduced in support of the introduction of the bonus system, are identical with those which have been advanced in this House. The same reasons are constantly urged in regard to a protective policy. Yet Victoria, after thirty-five years' experience of protection, cannot do without it.

Mr. WATKINS.—What about the duty upon salt?

Mr. POYNTON.—Those engaged in the salt industry did not ask to be assisted by the payment of a bonus. What has been the result of the bonus system in Canada?

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In 1883, the Parliament of the Dominion passed an Act offering a bounty of $1.50 per ton for the production of pig-iron. In 1889, that bounty was reduced to $1 per ton; but in 1892 another Act was passed increasing the bounty to $2 per ton, and providing that it should terminate in 1897. The parties concerned, however, took good care to secure themselves before that time expired. In 1894 they secured the passing of an Act providing for the payment of bounties of $2 per ton on pig-iron, $2 per ton on puddled bars, and $2 per ton on steel billets made from Canadian pig. This Act was to remain in operation for five years; but without waiting for that period to elapse, the Dominion Parliament, in 1897, repealed the Act, increased the bounties to $3 per ton on steel ingots made of not less than 50 per cent. Canadian pig, and made other changes. From 1883 until 1897 bounties were given to encourage the manufacture of pig-iron from local ore, but the manufacturers found that it suited their purpose to use ore obtained from parts beyond the Dominion, and they were then successful in securing the passing of an Act providing for the payment of bounties of $3 per ton on steel ingots of not less than 50 per cent. of Canadian pig, $3 per ton on puddled bars, $3 per ton on pig-iron, and $2 per ton on the proportion made from foreign ore. In 1898 another Act was passed declaring that the provisions of this measure should be retrospective, and come into force as from 1897. Yet, in the face of such evidence, we are asked to believe that the amounts set out in this Bill represent the whole expenditure which the Commonwealth will be asked to sanction. Do honorable members believe that? If we pass legislation of this character, what will be the next step? We shall be told that we have expended £324,000 to establish the iron industry, and that upon the strength of our action certain persons have been induced to invest their capital in that enterprise. We shall be assured that they cannot continue operations, and that unless they are granted further assistance the works will have to be closed, as a result of which hundreds of men will be thrown out of employment. I venture to predict that that statement will be made in this House before many years have passed. To-day we are called upon to consider not merely the expenditure of £250,000 upon pig-iron made from Australian ore, puddled bar iron made from Australian pig-iron, and steel made from Australian pig-iron. We have to consider whether, having been parties to the establishment of this industry, we shall not be obliged to continue hand-feeding it to the extent that has been found necessary elsewhere. Judging by the indifference displayed by honorable members, one would think that this was a matter of no importance—that we were here not as the custodians of the public purse, but merely to vote large sums of money for the benefit of private individuals. A Commission was appointed to deal with this question, and although we are told by them that they did not seek any evidence in opposition to the scheme, their inquiries resulted in the report I have quoted. It would be an absolute calamity to pass this Bill, and I think it is a matter for regret that we should even be asked to deal with such a measure. Let me now refer briefly to some of the other articles, the local manufacture of which it is proposed to encourage by means of the bonus system. The Bill proposes that a bonus shall be paid for the local manufacture of wire-netting, and at a certain date a duty is also to be imposed to encourage the industry. A similar course is to be followed in regard to the articles mentioned in the other divisions of the Bill. What will this mean to our primary producers? I represent a large number of farmers, who find it necessary to protect their crops by the use of wire-netting. There are vast wheat-growing areas in South Australia, where, in the absence of wire-netting fences, it would be impossible to protect the crops from the ravages of rabbits and other vermin. Yet it is proposed to increase the duty on an article which is so largely used in this way. A similar proposition was made when the Tariff Bill was under consideration, and I was one of those who strenuously opposed it. Farmers and pastoralists are already put to an additional expenditure of at least 2d. per acre—in respect of the great bulk of the wheat areas of South Australia—by having to provide wire-netting for the protection of their crops, and I fail to see how any honorable member could support a proposal that must result in the price of the commodity being increased. Prior to the establishment of the Commonwealth, there was a duty of £2 10s. per ton on barbed wire and wire-netting imported into Victoria; but it did not result in the establishment of a sound local industry. In New South Wales, where there was no duty imposed on either of these articles, a wire-netting manufactory

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was satisfactorily established. The Commission, in a summary of the imported materials which would be affected by the passing of this Bill, show that £70,000 worth of wire-netting was, on the average, annually imported into the Commonwealth during the five years ending 31st December, 1902, whilst the value of barbed wire annually imported during the same period was £60,000. These are two of the articles, the local production of which is to be encouraged at a future date by means of Customs duties. In the face of open competition, factories for the making of wire-netting were successfully established in New South Wales, whilst in Victoria, with a heavy import duty on barbed wire, it was only possible to establish a manufactory employing some twenty-nine hands, who received an average wage of 28s. 3d. per week. In order to achieve this magnificent result, those who use barbed wire in Victoria were called upon to bear the burden of a duty of £2 10s. per ton. We are now asked to give men a bonus for manufacturing that which they have been able to produce in Australia without any protection whatever. It is idle for honorable members who support this measure to say that the imposition of a duty on any article does not increase its price to the consumer. That is a fallacy which I successfully exposed during the Tariff debate. I showed that, taking the figures for twelve months, the difference between the price of barbed wire and wire-netting in Victoria, where there was a duty of £2 10s. per ton, and in New South Wales, where the articles were on the free list, was within 5s. of the amount of the duty. I showed also that the public were deceived in regard to the gauge of wire they were using; that a ton of imported wire, gauge 12, went one mile twenty-nine chains further than did a ton of the local article, which was also sold as gauge 12. In the face of all these facts we are asked to crown a profitless session by pledging the Commonwealth to an undertaking that at the outset would involve an expenditure of £350,000. Before we see the end of the system, we shall in all probability have expended more like £3,500,000 than the £350,000 which we are now asked to vote. How many honorable members would have the courage to refuse to vote for the continuation of the bonus, or to oppose a heavy duty to encourage the industry once it had been started? The present proposal is one of the results of the unsatisfactory state of parties in this House. It would have been a thousand times better if a dissolution had taken place long ago, and had resulted in the return of parties in such a way as to allow the Government of the day to have something like reasonable control over public business. I shall not say that it is a scandal, because it would be out of order to do so, but the fact that a measure involving an expenditure of £350,000 has been handed over to a private member of this House reflects no credit on the Government. I do not say this with any desire to be discourteous to the honorable member for Hume, who, as the result of a mere accident, happens to be in charge of the Bill to-day. The Bill was handed over to a Government supporter, as one of those sops which are usually distributed when a Government depends for its existence on one vote. It goes very close to what would be in other places called something that I would be out of order in suggesting in this House. Let me now place before honorable members some figures, showing the amount distributed by way of bonuses for the manufacture of iron and steel in Canada. The figures are as follows: — 1884, $44,000; 1885, $38,000; 1886, $39,000; 1887, $59,000; 1888, $33,000; 1889, $37,000; 1890, $25,000; 1891, $20,000; 1892, $30,000; 1893, $93,000—a big increase; 1894, $125,000; 1895, $63,000; 1898, $165,000; 1899, $187,000; in 1900, $238,000; in 1901, $351,000; in 1902, $693,000; and in 1903, $670,000, making a total of $3,087,833. I venture to say that we shall have the same experience in Australia if, in a weak moment, in order to pacify a section of the supporters of the Government, we allow this measure to pass without a further investigation of its consequences. No Parliament should be asked to deal with a measure like this under circumstances such as those which now surround us. Half of our members have gone away to various parts of the Continent, and the rest are preparing to go, and yet, in a thin House, we are asked to agree to a proposal which involves not only the expenditure provided for in the schedule, but a policy which, in the years to come, will be fraught with the most serious consequences to Australia. An attempt is now being made to introduce the thin end of the wedge. Once we agree to the proposals contained in the schedule, we shall be practically committed to an addi-

tional expenditure of hundreds of thousands of pounds.

Mr. HUTCHISON.—Why?

Mr. POYNTON.—Are we not to gain by the experience of other countries? Does not the honorable member know what has happened in Canada?

Mr. HUTCHISON.—If Canada has done wrong, that is not a reason why we should follow her example.

Mr. POYNTON.—If the Bill is agreed to, and the iron industry established on the basis of the proposals contained in it, and £350,000 are found insufficient, the honorable member will be one of those who will ask, "Are we going to close the works, and turn men out of employment, for the sake of a few thousands more?" He will ask for another slice of the public loaf then. He knows that it is throwing dust in the eyes of the public to pretend that £350,000 will be the total expenditure on these bonuses. I may not see the time, but my words, which will stand in *Hansard*, will be realized when I say that the day will come when the expenditure will run into millions. The Prime Minister is supposed to hold the same views as I do, and has spoken strongly on this subject, and yet, at the eleventh hour, he is giving every facility for the bleeding of the country in this way, because the Government are practically dependent for existence on the vote of one man. It is calamitous for Australia to be in that position. Under ordinary circumstances the measure would not have the slightest chance of being passed. It is useless, however, to make a further protest. Some honorable members may say that I am wrong, but time will show that my forecast is a correct one. I cannot vote for the second reading of the Bill, and I regret that other men who hold the same opinions as I do have either been silent in connexion with this measure, or are allowing it to go by default.

Mr. WILKS.—They have not all been silent. The honorable member will find a good many voting with him.

Mr. POYNTON.—I know that an endeavour is being made to have the measure passed without a division. I should like to know where those who hold the same view as I do are.

Mr. JOHNSON.—I am one of them.

Mr. POYNTON.—What consideration have those who hope to obtain advantages from the passing of the Bill shown for the working classes? The large protected manufacturers of Australia are all members of the councils of employers, and denounce representatives of labour all over the country.

Mr. JOSEPH COOK.—Is that the case with the South Australian salt makers?

Mr. POYNTON.—Undoubtedly. Before the Tariff was passed, they promised the South Australian protectionists—no promise was made to me, because I was against the duty—that if they obtained protection their workmen would benefit, but when the duty was imposed, they immediately took the side of the employers. I venture to say that there is not a large manufacturer in Victoria who is not amongst those who are always crying out against the Socialism of the Labour Party, and speaking of the ruin which that party is bringing upon the country. Now, however, they are trying to obtain the assistance of that party in extracting money from the people.

Mr. FOWLER.—The Labour Party are not committed to this proposal.

Mr. POYNTON.—A number of the members of the party will vote for it. The honorable member for Hindmarsh knows that, while the employers ask for bonuses and duties at the expense of the taxpayer, they are always opposed to the principles of the Labour Party. The other evening I heard a discussion by such men about the curse of Arbitration Acts, and of Wages Boards. They are opposed to the advancement of the interests of labour and the protection of the workers, yet they come to us, cap in hand, asking for bonuses and duties. But when we demand of them a trifle for the improvement of the conditions of their employés, they say that our proposals are driving capital out of the country, and talk about socialistic legislation. I regret that, in spite of my protest, the Bill is likely to be carried; but if it is carried the people of this country will have great cause for regret. Every manufacturing industry in Australia which uses iron as its raw product will be injured by this proposal, and the country will be committed, if not to the payment of further bounties, to the imposition of protective duties. However, I have stated my opinions, and I feel sure that every word which I have uttered will be substantiated within the next fifteen or twenty years.

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Mr. BROWN (Canobolas).—If there is any man who has taken a greater interest in this question, and done more to advance it, than another, he is the right honorable member for Adelaide, who brought the measure before the last Parliament, and was Chairman of the Select Committee, subsequently made a Royal Commission, which investigated the subject. Whatever may be our opinions upon the proposal, we all regret his inability to be present on this occasion to take an active part in the work which he has initiated, and to which he has devoted so much talent and ability. Next to him, the honorable member for Hume, who brought the Bill before this Parliament, is entitled to praise, because he has shown a considerable amount of interest in the matter, and has endeavoured to obtain a conclusion in regard to it. I wish, however, to enter my strong protest against the passing of the measure. I believe that it is in contravention of the best traditions of the British Constitution that a measure of this kind should be in the hands of a private member. It is generally recognised in British communities that measures of large importance, affecting the people generally, and especially those having to do with the raising and expenditure of public money, should be brought before Parliament by Ministers, with the concurrence of the Executive of the day. The fact that the Executive is not responsible for this measure is, to my mind, a strong reason why we should reject it. In support of that contention, I would instance what took place in New South Wales in regard to the Payment of Members Bill. When that measure was first introduced into the arena of politics, it was taken in hand by Mr. Traill, a private member, who did what may be termed the pioneering work in connexion with the movement. The Premier of the day, however—that great constitutional authority, the late Sir Henry Parkes—refused to allow the subject to be dealt with by a private member. He was personally opposed to payment of members, but to get over the difficulty allowed a member of his Cabinet to introduce the Bill, and the then Postmaster-General brought it forward as a semi-Government measure. It was passed through the Legislative Assembly by a substantial majority, and rejected by the Council. Then Sir Henry Parkes said, "Although I am opposed to the principles of the Bill, I recognise that it is the desire of the representatives of ’le that it shall be passed." He immediately made the measure a Government Bill, and returned it to the Council, with the full weight of his sanction, and it was passed into law. He laid down the constitutional principle that no measure imposing taxation or providing for expenditure should be submitted to honorable members unless it had the authority of the Executive behind it. I protest against the departure that has been made from those sound constitutional lines. The Bill proposes to take out of the pockets of the taxpayers of the Commonwealth £324,000 for the purpose of providing bonuses for certain private individuals. Under our financial conditions, which involve the necessity of handing over to the States Governments three-quarters of the revenue raised through the Customs, we shall be obliged to burden the taxpayers to an enormous extent, in order to enable us to provide the funds necessary to pay these bonuses. If we introduce a system under which any private individual can come to the House and ask for the expenditure of large sums of money, we shall expose the community to the risk of great injury, and I therefore wish to enter my strongest protest against the manner in which the Bill has been brought before us. I have no personal feeling against the honorable member who is in charge of the Bill. When the Government refused to take it up he was quite within his rights in endeavouring to do his best to place it upon the Statute-book. On a former occasion I said that I was not averse to granting assistance to the iron industry, and I certainly prefer the more direct method of paying bonuses to that of affording protection by means of Customs duties. Bonuses involve the payment of a definite sum, and the benefits which they confer are readily ascertainable, whereas under a protective system it is difficult to ascertain the extent to which the public are deriving advantage. I admit that the iron industry deserves special consideration at the hands of this Parliament and of the States Parliaments. We use iron products perhaps to a greater extent than any other community in proportion to population. There is another important aspect of this question, which to my mind is worthy of consideration. The States Governments are consumers of iron to a very large degree. We have nationalized our railways; all our highways are under Government control, and the States have to enter upon the construction of large and expensive bridges. The telegraph and tele-

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phone systems are also in the hands of the Government, and other public works in which large quantities of ironwork are used, have to be undertaken. In most other countries these enterprizes are left to private individuals. The States Governments, as a matter of fact, absorb fully one-third of the iron imported into the Commonwealth, and I therefore contend that the proposed ironworks should be under direct State management. If the States Governments can manage such large undertakings as our railways, they may safely be trusted to carry on the manufacture of iron. Therefore, I am prepared to pass a measure of this kind, if provision is made for placing the industry under State control. It is necessary to provide the most effective safeguards when grants are made to private individuals in the manner contemplated by the Bill. I am led to this conclusion by the study of the bonus system in Canada. The Dominion has to a greater degree than any other country built up her industries by means of bonuses. The construction of railways and the opening up of means of communication by canals has been carried out by private enterprise, assisted by large subsidies from the Government. The Dominion Government have paid £40,000,000, the Provincial Governments £6,600,000, and the Municipal Governments £360,000 to private companies in order to encourage the development of industries, and to provide means of communication. This money has been spent under direct Government control. The people of Canada, however, have not the same assets that we have to show for the expenditure of money upon public works. In addition to these money grants, the Government have handed over 50,000,000 acres of their territory to private companies in consideration of their carrying out large public works. One of the industries which the Canadian Government have endeavoured to encourage and place upon a sound basis is the iron industry. The first bonuses were granted in 1883. They were intended to operate only for a short period, but the system has been in existence for over twenty years, and there does not seem to be the slightest disposition to bring it to an end. In fact, the pressure brought to bear upon the Legislature is in the direction of extending and increasing it. In 1884, the first year during which the bonus was in operation, 44,000 dollars were paid by way of bonus for the production of iron. In 1891, owing to the depression which was then prevalent in the Dominion, the grant fell to 20,000 dollars, but in 1901 increased activity took place, and greater opposition was shown to the American companies, and bonuses amounting to 351,000 dollars were paid. Last year, when we were considering this question, we were informed by cable that a large syndicate had been formed to further develop the iron industry in Canada. That syndicate had a capital of £3,600,000 and was to be subsidized by a grant of £1,000,000 on behalf of the Canadian Government. These facts bear out the contention of the honorable and learned member for Angas, that in committing ourselves to a Bill of this character, we cannot possibly measure our future liabilities. I have no desire to offer any factious opposition to this measure. I have already shown the extent to which Canadian industries have been assisted by the payment of bonuses. A writer in the *Economist* of 3rd May, 1902, deals with this aspect of the question. He says:—

> It is scarcely necessary to say that a good deal of corruption in Dominion, provincial, and municipal affairs is engendered by this system. The subsidy is almost always "milked" by the politicians who grant it, whilst the contractor, whose profit comes from construction, and sometimes, too, by handling the bonds, takes care of those in and out of Parliament who may be disposed to question the wisdom of developing the country in this fashion. It is only right to add, however, that the best men on both sides of politics would like to see the whole business abandoned. Unfortunately, the promoters and contractors have made a great many people believe that subsidies are necessary to enable us to keep step in material advancement with the United States, an argument which every census shows to be fallacious, and which, at best, is merely saying that it is right to do evil that good may come.

I enter my protest against legislation of this character. In Committee, I shall endeavour to secure the allocation of this grant to the States Governments. Failing that, I reserve to myself the right to take a hostile stand towards the Bill at a later stage.

Sir WILLIAM LYNE (Hume).—In introducing this measure on the 23rd March, I made rather a lengthy speech, and quoted many statistics. I intended upon this occasion to reply at length to many speeches which have since been made, and particularly to some which were delivered this morning. But, in view of the short period of time at our disposal, I think that I shall best be consulting the interests of the measure, if I condense my remarks as much

as possible. I wish especially to refer to one or two matters which were touched upon by the honorable member for Grey, who denounced the bonus system as it has been applied to the industry in America and Canada, and particularly the latter country. But I should like honorable members to recollect that, even if a considerable sum of money has been expended in developing the production of iron in those countries, the result has been to establish a gigantic industry. The iron industry at Pittsburg is the largest in the world; but it could never have attained its present proportions had it not been for the assistance rendered by the Government by way of bonus, and a protective duty. It is true that in Canada, during the last twelve or eighteen months, it has been found necessary to prevent the gradual reduction of the bonus; but it should be remembered that that country is still only supplying itself with the iron it requires for machinery and other purposes. The iron industry there has become a great industry, which is giving employment to a large number of artisans. In Australia, I venture to say that if the industry could be started, irrespective of whether it costs us little or much—the result would be to the advantage of the community, not only from the point of view of wealth, but from the stand-point of the employment which it would offer. I hold in my hand a return which I obtained from the Customs Department some time ago—and which should therefore be reliable—showing the value of the imports of iron into Australia since 1899. I am inclined to think that the figures which it contains will startle some honorable members. The return, which is a lengthy one, is complete in every respect. It reads—

RETURN showing the IMPORTS into the Commonwealth during the years 1899–1903, inclusive, of IRON and STEEL in all forms, manufactured or unmanufactured.

—	1899.	1900.	1901.	1902.	1903.
	£	£	£	£	£
Agricultural Implements and Machinery	293,205	311,298	327,208	444,619	454,000
Appliances, Electrical	136,122	169,856	329,590	200,285	249,015
Anchors	1,455	2,385	841	2,346	3,072
Arms, Rifles, &c.	32,513	49,250	96,540	96,350	95,100
Bicycles and Parts	245,800	264,777	250,608	168,509	197,250
Cutlery	109,791	132,490	132,542	131,590	98,255
Chains	8,832	16,046	13,202	17,463	30,893
IRON AND STEEL :—					
Pig and Scrap	401,846	723,862	528,272	157,911	166,277
Bar, Angle, Rod, Tee, &c. ...	259,430	347,862	355,145	334,555	286,250
Plate and Sheet	111,901	192,308	120,266	178,236	111,975
Galvanized Sheet	799,400	954,922	737,112	947,802	786,413
Hoop	40,418	51,555	45,934	46,806	36,776
Girders, &c.	75,707	107,227	101,172	113,495	81,144
Nails	83,224	117,794	109,686	88,134	62,000
Pipes	260,545	329,519	318,084	296,150	238,708
Rails and Railway Materials ...	433,634	681,957	849,423	869,192	494,600
Tanks	34,535	42,376	37,551	25,570	18,867
Wire	331,278	372,886	384,598	342,438	320,000
Wire Netting	51,012	51,876	63,748	130,195	95,931
Wire Rope	54,699	78,111	91,110	75,178	69,168
Machines, Sewing	61,113	112,989	108,120	156,352	138,144
Machines and Machinery ...	1,006,363	1,267,700	1,911,480	1,641,639	1,698,255
Manufactures of Metals (including Hardware, Hollow ware, and Ironmongery)	805,596	999,593	839,286	1,031,884	930,371
Surgical Instruments	34,683	48,081	45,470	33,500	56,116
Tin Plates	134,610	308,551	253,302	277,678	161,162
Tools	253,445	310,402	327,498	334,277	329,520
Total	6,061,157	8,045,673	8,377,788	8,142,154	7,209,259

Sir William Lyne.

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NOTE.—The figures are given in as detailed a form as is possible, without incurring the risk of misunderstanding. The necessity for this arises from the States' classifications varying in the amount of details given, *e.g.*, New South Wales had one heading "Hardware and Ironmongery," while in others of the States, in addition to this there were "manufactures of metals," and "galvanized iron manufactures"; again, in machinery such items as cream separators, typewriters, and weighing machines, were entered separately in some and not in other States; under the circumstances, therefore, it has been deemed advisable to group such lines rather than attempt greater detail.

It should also be borne in mind that the term manufacture of metals necessarily includes items of metals other than iron and steel; the proportion would be small, but it is impossible to state it, and further, that a reliable comparison as regards particular items between the years 1902 or 1903 (more especially the latter), and any previous year, is rendered practically impossible by reason of the Commonwealth Tariff and classifications differing so widely from those of the several States.

The totals are, approximately—in 1899, £6,000,000; in 1900, £8,000,000; in 1901, £8,400,000; in 1902, £8,100,000; and in 1903, £7,200,000.

Mr. POYNTON.—The figures contained in that return are not borne out by the evidence given before the Royal Commission which investigated this question.

Sir WILLIAM LYNE.—The figures were obtained from the highest possible authority, and I regard them as authentic. I shall not enter into a discussion of any details of the Bill; but in Committee I shall probably be able to supply the information which I desired to give in reply to the speeches which have been delivered.

Question—That the Bill be now read a second time—put. The House divided.

Ayes	27
Noes	6
Majority	21

AYES.

Bamford, F. W.	Maloney, W. R. N.
Batchelor, E. L.	McCay, J. W.
Bonython, Sir J. L.	McDonald, C.
Brown, T.	McLean, A.
Carpenter, W. H.	Ronald, J. B.
Chanter, J. M.	Skene, T.
Edwards, G. B.	Spence, W. G.
Forrest, Sir J.	Thomson, D. A.
Fowler, J. MacK.	Watson, J. C.
Frazer, C. E.	Webster, W.
Hutchison, J.	Wilkinson, J.
Knox, W.	*Tellers:*
Lyne, Sir W. J.	Watkins, D.
Mahon, H.	Tudor, F. G.

NOES.

Johnson, W. E.	*Tellers:*
Lee, H. W.	
Reid, G. H.	Conroy, A. H. B.
Thomson, D.	Poynton, A.

PAIRS.

Isaacs, I. A.	Wilks, W. H.
Mauger, S.	McWilliams, W. J.
Ewing, T. T.	Willis, H.
Thomas, J.	Robinson, A.
Turner, Sir G.	Liddell, F.
Higgins, H. B.	Glynn, P. Mc.M.
Groom, L. E.	Smith, B.
Wilson, J. G.	Fuller, G. W.
Fysh, Sir P. O.	Smith, S.
Deakin, A.	Kelly, W. H.
Storrer, D.	Cameron, D. N.
Chapman, A.	Cook, J.
Cook, J. H.	Lonsdale, E.

Question so resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1—

This Act may be cited as the Manufactures Encouragement Act 1904.

Mr. CONROY (Werriwa).—There is a misprint in the clause, for it seems to me that this measure should be cited as "The Manufacturers Encouragement Act." I therefore move—

That after the letter "e" in the word "manufactures" the letter "r" be inserted.

I think there are good reasons for supporting this amendment. The object of the Bill is to give £250,000, in round figures, to two or three men who are prepared to establish iron works. According to the report of the Commission, the capital required to set up an up-to-date furnace would be something like £125,000, so that it must be recognised that only a company or a very wealthy man could establish the necessary works. Can it be said, in these circumstances, that the Bill is for the encouragement of manufactures? Is it not rather designed to encourage manufacturers?

The CHAIRMAN.—The honorable member had better move that the word "manufactures" be left out, with a view to insert in lieu thereof the word "manufacturers."

Mr. CONROY.—It is a singular measure, and we are justified in adopting singular methods of dealing with it.

Mr. JOSEPH COOK.—I submit that the amendment is out of order. This purports to be a "Bill for an Act relating to bounties for the encouragement of manufactures," and, therefore, any proposal to alter the phraseology in this way would be entirely out of order.

The CHAIRMAN.—We have not yet adopted the title to the Bill, and, therefore, it would be competent for the honorable member to move an amendment on the lines proposed. Does the honorable and learned member persist in submitting the amend-

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ment in the form proposed by him? Misprints need not be altered by motion in Committee.

Mr. CONROY.—I certainly think that we are entitled to amend a Bill in this way, but in view of your ruling I ask leave to withdraw my amendment.

Amendment, by leave, withdrawn.

Mr. CONROY (Werriwa).—I move—

That after the word "the" the word "Trust" be inserted.

When we see that it is proposed to pay this large sum of money to two or three individuals, surely we are entitled to take steps to put that fact clearly before the public. I do not know whether it is intended to persist in the proposal to grant a bonus of £20,000 for the manufacture of spelter, but in view of the speech made by the honorable member for Kooyong, I should imagine that it is not. There was some hostility at first displayed between Mr. Sandford, who is anxious for the Commonwealth to give a bonus for the manufacture of iron in Australia, and the chairman of directors of the Blythe River Company, but as they are now agreed that the bonus should be granted, there is some reason for designating this Bill one for the encouragement of trust manufacturers. These are the only parties which have made any attempt to enter the industry, and it may be that the company which would be formed if this Bill were passed, would be known as the Lithgow and Blythe River Trust. At a later stage I shall propose that as these bonuses will be a direct contribution to capital, the necessary funds shall be raised from capital by means of direct taxation.

Mr. MALONEY (Melbourne).—I believe there is some good reason for this amendment, in view of certain threats that have been made by men whom I may describe as iron masters in Australia. These men have threatened to take steps to flood the Melbourne and suburban branches of various democratic organizations with members who favour their own particular set of views. I care not for their threats, but if this Bill is likely to play into the hands of the would-be iron kings of Australia, I think that we should take care that the Federal Government should be able at any time to resume the iron-works on fair terms. In view of the threats that have been made, I certainly see no objection to the amendment. This is the first opportunity I have had to enter my protest against the actions of men who rattle their money bags, and are disposed, either directly or indirectly, to threaten honorable members. We know what has taken place as the result of the trust system in America. As the result of their operations in the iron trade of that country there have been terrible struggles between capital and labour, which have resulted in loss of both life and property. The wages which the trusts pay to their men are among the lowest of which I know.

Mr. LONSDALE (New England).—As is well known, I am opposed to the Bill, lock, stock, and barrel, and therefore I am prepared to take any steps to secure its destruction. I shall support the amendment of the honorable and learned member for Werriwa; but as we were told that the Bill would be taken into Committee only *pro formâ*, I shall be ready to go to the length of moving the Chairman out of the chair, in order to secure the fulfilment of that promise.

Mr. HUTCHISON.—What a make-belief it would be if we did not go further with the Bill now!

Mr. LONSDALE.—Not on my part. I consider the Bill a make-believe. I look upon it as a measure for the manufacture of trusts. We are going to allow wealthy men to thrust their arms up to the elbow in the pockets of the people.

Mr. JOSEPH COOK.—What is a trust?

Mr. LONSDALE.—A combination to rob the people, and I shall oppose every attempt to do that. Those whom the Bill is introduced to benefit are so patriotic that they will sacrifice themselves on the altar of their country only to secure payment. Before discussing the measure, however, I wish to know why the promise that the Bill would not be taken further than into Committee has not been kept. That promise was used to get honorable members to consent to the second reading, and that stage having been passed, I think that we might now report progress, and get on with other business.

Mr. REID (East Sydney—Minister of External Affairs).—It is perfectly true that a day or two ago I held out no prospect of the state of public business allowing this Bill to be taken further than into Committee; but since then the Arbitration and Appropriation Bills have been disposed of, and the Government find that they are able to give up the whole of to-day to its discussion. I hope, therefore, that honorable members will allow the Bill to be dealt with this afternoon. Personally, I am opposed to the principles embodied in it, but I think that a fair opportunity should

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be given for its consideration. I do not think any injustice will be done to honorable members if we go on, because there was a full and exhaustive discussion of the measure on the second reading.

Mr. SPENCE—I take the point of order that the amendment goes beyond the order of leave, and is irrelevant. The Bill was introduced to encourage the manufacture of certain specified articles—iron, steel, and so forth, and to make it a Bill for the manufacture of trusts would be to entirely alter its character.

The CHAIRMAN.—It is competent for an honorable member to move any amendment to the short title of a Bill which is not contrary to the principle affirmed by the House in agreeing to its second reading. I take it that the word "trust," which may be used either as a substantive or an adjective, is here used as qualifying the word "manufactures."

Mr. CONROY (Werriwa).—The point raised by the honorable member suggests to me that the meaning of the Bill might be made clearer if the word "manufactures" were altered to "manufacturers'," and the word "trust" inserted after it.

Mr. HUTCHISON.—The honorable and learned member has apparently been unmuzzled for the day.

Mr. CONROY.—The honorable member seems to be unmuzzled and off the chain, because he certainly is not acting now as a watchdog of the people's interests. With the permission of the Committee, I will withdraw the word "trust," with a view to make the amendments which I have indicated.

Mr. WATKINS.—I object, so that we may have a vote on this ridiculous amendment.

Mr. LONSDALE (New England).—Is the honorable member in order in styling the amendment a "ridiculous" one. Since the Chairman has accepted it, his observation is a reflection on the Chair.

Mr. WATKINS.—I go further, and say that the honorable member is ridiculous.

Mr. LONSDALE.—I ask that that statement be withdrawn.

Mr. WATKINS.—I withdraw it, because I do not think that the honorable member could be ridiculous.

Mr. LONSDALE.—I am prepared to do all I can to prevent this measure from being passed into law, but I think that the withdrawal of the amendment should be allowed. Undoubtedly this is a Bill for the manufacture of trusts.

The CHAIRMAN.—I would point out to honorable members that what we are now discussing is only the short, or abbreviated title of the Bill, and that their object could best be attained by amending the full title, if necessary.

Mr. LONSDALE—I am in favour of any amendment which will indicate the true nature of the Bill. There is no doubt that the general public suffer through the operations of these trusts and combines, and surely it is within our power to alter the short title in order to bring it into accord with the true nature of the Bill. We say that the Bill will have the effect of creating trusts and combines, and will cause money to be paid out of the Treasury to certain gentlemen who are forming trusts. That might fairly be indicated in the short title. I am prepared to vote for any alteration which will have the effect of killing the Bill and saving the people from an improper appropriation of their funds. I do not believe in voting money which is to be paid to men who are seeking their own advantage, and whose patriotism takes the form of regard for their own pockets only. I shall support the amendment.

Amendment negatived.

Mr. CONROY (Werriwa). — I propose to amend the word "manufactures" by the insertion of the letter "r" before the letter "s."

The CHAIRMAN.—I have already indicated that it is neither competent, nor advisable, for the Committee to commence to alter the spelling of words. If the honorable member desires to substitute the word "manufacturers" for the word "manufactures," the proper course for him to adopt is to move that the word "manufactures" be omitted, with a view to inserting the word "manufacturers."

Mr. CONROY.—I want your ruling, Mr. Chairman, upon that point. Do you rule that the amendment I have proposed is not in order?

The CHAIRMAN.—I say that it is not in order.

Mr. CONROY.—Then I am sorry that I shall have to dissent from your ruling.

The CHAIRMAN.—Will the honorable and learned member put his objection in writing?

Mr. DEAKIN (Ballarat).—May I appeal to the honorable and learned member for Werriwa to withdraw from his present position. He knows that there is a real issue to be decided, namely, whether the

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iron bonus is to be granted only to a State Government, or to those engaged in private enterprise. That is the crucial matter to be settled by the Committee, and I think that we may occupy our time with more profit in dealing with that.

The CHAIRMAN.—The honorable and learned member for Werriwa expresses his dissent as follows:—

The Chairman is in error in refusing to allow the amendment of the word "manufactures" by the insertion of the letter "r" so that the word shall read "manufacturers."

The question is that the ruling of the Chairman be dissented from.

Motion negatived.

Mr. CONROY (Werriwa).—I think that every Bill should bear upon its face evidence of its object, and that if we are prepared to vote large sums of money by way of bonuses, the agriculturists of the Commonwealth, whom we desire to encourage, should receive consideration. Therefore I move—

That the word "manufacturers" be omitted, with a view to insert in lieu thereof the word "agriculturists."

It will be necessary, as we proceed, to make further alterations in the Bill, which will enable the money proposed to be spent to be devoted to the assistance of our farmers. I do not see why the money which is to be taken from them should not be given back to them.

The CHAIRMAN.—I cannot accept an amendment of that character. The principle of the Bill has been affirmed by the House, and it is not for the Committee to change the destination of the proposed bonuses.

Mr. CONROY.—I submit that a farmer may, under some circumstances, be regarded as coming within the definition of "manufacturer."

The CHAIRMAN.—The honorable and learned member has asked me if the word "manufacturers" includes "agriculturists," and I have told him that, in my opinion, it does not. I cannot permit any further discussion upon that point.

Mr. CONROY.—Then I move—

That the word "manufactures" be omitted, with a view to insert in lieu thereof the word "manufacturers."

Mr. LONSDALE (New England).—I second the amendment. I think that we should make the Bill cover all classes of manufacturers, and that we should not limit the encouragement to be given to one or two special industries.

Mr. JOSEPH COOK (Parramatta).—I rise to appeal to my honorable friends to discontinue the tactics which they are pursuing. If they are opposed to the Bill, let them adopt proper means to defeat it. I submit that this measure does not come within the ordinary category at all. It has been before the House for at least two years, and it is time that its fate was decided.

Mr. CONROY.—What about the interests which are to be defrauded by the expenditure of this £350,000?

Mr. JOSEPH COOK.—Those persons outside who are willing to embark upon the iron industry conditionally that they receive State assistance, should be kept in suspense no longer.

Mr. CONROY.—They have no right to come here cringing and crawling.

Mr. JOSEPH COOK.—Everybody admits that if protective duties should be extended to any industry, they should be extended to the manufacture of iron. Yet, strange to say, that is the one industry which protectionists in Australia have entirely left out of consideration. If honorable members are opposed to the Bill, let them adopt proper measures to insure its defeat, but at least they should allow those who are specially interested in this matter to know exactly what they may expect.

Mr. CONROY.—I shall allow no Bill of this character to be pushed through the House at the fag-end of a session.

Mr. POYNTON (Grey).—The honorable member for Parramatta must recognise that from the first there has been no uncertainty regarding my attitude towards this Bill. I am really astonished at the speech which he has just delivered. I know of no measure which has approached so near to political jobbery as has this Bill.

The CHAIRMAN.—I would remind the honorable member that we are now discussing whether the word "manufactures" should be omitted.

Mr. POYNTON.—I intend to exhaust every means in my power to block the passage of this Bill. It has been carried up to its present stage only by trickery and misrepresentation.

The CHAIRMAN.—The honorable member must withdraw that statement.

Mr. POYNTON.—I withdraw, and say that a statement was deliberately made upon the floor of the House that the Bill would not be pushed beyond its second-reading stage, and upon that understanding some honorable members were induced to

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leave Melbourne. Everything possible has been done to successfully work this political job, for it is nothing more nor less.

The CHAIRMAN.—Order! I appeal to the honorable member, who is not by any means new to parliamentary procedure, to observe the rules that govern debate. I ask him to withdraw the expression "political job," which he has applied to a Bill which has passed its second reading.

Mr. POYNTON.—I withdraw, and I will say that it has all the appearance of a political job.

The CHAIRMAN.—The honorable member must not say that. I ask him to withdraw the words unconditionally.

Mr. POYNTON.—I withdraw them. I say that a distinct breach of faith has been committed. Honorable members have left for their homes on a clear understanding that this Bill would be carried only to its second-reading stage. Now, in a thin House, with not more than half the members present, we are called upon to rob the public.

The CHAIRMAN. — The honorable member must withdraw that expression.

Mr. POYNTON.—Then I will say that we are called upon to vote £350,000 of public money to a private firm. The Bill has been introduced for political purposes——

The CHAIRMAN.—I must ask the honorable member to recollect that the amendment before the Committee is to omit the word "manufactures." I must request him to debate that amendment.

Mr. POYNTON.—I am endeavouring to assign reasons why the Bill should be styled the "Manufacturers Encouragement Bill." Its object is to put money into a monopolist's pocket. Does any one imagine that under this Bill we shall have iron industries springing up all over the Commonwealth? Is it not true that the money which we are asked to vote will benefit one firm only?

The CHAIRMAN.—I would remind the honorable member that whatever his private opinions may be, there are certain rules which govern parliamentary debate, and he must conform to those rules.

Mr. POYNTON.—I shall exhaust all the powers at my command to prevent the Bill being pushed any further during the current session.

Mr. LONSDALE (New England).—The honorable member for Parramatta has lectured myself and others for the attitude which we have adopted towards this Bill. I claim that I am justified in blocking its passage by every means in my power. I am responsible to the country, and not to any member of this House, for my action.

Mr. Thomas.—The honorable member is a "wrecker."

Mr. LONSDALE.—Yes, I am a "wrecker" so far as this Bill is concerned. I intend to support the amendment, and later on will submit other amendments with a view to prevent the measure being passed into law this session. What right have we to confer any undue advantage upon a section of the community? I refuse to assist private individuals with State money. Why should we take money out of the pockets of the man who is earning only 30s. a week for the purpose of enriching the capitalists?

Mr. JOSEPH COOK (Parramatta).—The honorable member for New England has accused me of lecturing him. I delivered no lecture, so far as I am aware. I merely appealed to honorable members who are opposed to this Bill to evidence their opposition in a legitimate way. The honorable member for Grey has expressed astonishment at my action in connexion with this matter. I claim that my action upon it has been straightforward, and I defy anybody to challenge any vote which I cast upon the Tariff. I did not go wrong upon salt, or upon iron.

Mr. Webster.—What has salt to do with this Bill?

Mr. JOSEPH COOK.—It has nothing to do with the Bill, but it has something to do with the propriety of the honorable member for Grey taking exception to the action of another honorable member. All that I wish to say is that this Bill should be proceeded with so that finality may be reached. That at least is due to those who are interested in its fate outside this House. A very easy method of determining the matter is by voting upon the amendment which will shortly come under consideration. I appeal to honorable members to allow the fate of the measure to be definitely decided.

Mr. LONSDALE (New England).—In reply to the honorable member for Parramatta, I wish to say that I desire equal treatment all round. I think that the men who will suffer by the imposition of this taxation should receive some consideration. If we can afford to give these manufacturers £350,000, I say that we can better expend that money by assisting the poorer classes of the community.

Mr. King O'Malley.—Members of Parliament, for instance.

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Mr. LONSDALE.—No; there are plenty of people who are worse off than we are. I am sick of all this talk about the salaries of Members of Parliament.

The CHAIRMAN.—I would remind the honorable member that his remarks are distinctly outside the scope of the amendment.

Mr. LONSDALE.—I wish to secure equal treatment for all. I have never yet seen any legislation enacted to assist those who are really suffering. The wealthy—the men with large capital—seem always to receive special consideration. Why should we give this money to manufacturers? If we are going to distribute it, let us divide it fairly among the poor and the rich.

Mr. G. B. EDWARDS (South Sydney).—I must deprecate the condition into which the Committee has fallen. The amendment moved by the honorable and learned member for Werriwa is certainly not an amendment of principle. All that he has said in support of it was advanced by him on the motion for the second reading of the Bill, and I would remind him that there are other clauses on which he might reasonably take action to defeat the principle to which he is so strongly opposed. It seems to me to be a gross waste of time to be considering amendments of the short title of the Bill. It merely serves to show that in these the last hours of the session the Committee and the House generally is not in a proper frame of mind to deal with such important legislation. Those who complain that a promise was made that the Bill should not be taken beyond the second-reading stage would be fully justified in moving that progress be reported; for undoubtedly the Prime Minister informed the House yesterday that it was intended only to secure the second reading of the Bill, and not to pass it through the Committee stage. If a motion to report progress were moved, I should support it, notwithstanding that I voted for the second reading of the Bill. I think that we have done as much as we can during this session, so far as the consideration of this measure is concerned, and that it is undesirable that the time of the Committee should be wasted in discussing amendments on which no question of principle is involved. I admire the outspokenness of the honorable member for New England, and the honorable and learned member for Werriwa; but, as they had a full opportunity during the second-reading debate to express the strong views which they hold on this question, they have no right to block the consideration of the measure by means of dilatory motions. It is open to either of them to move that progress be reported, and why should we waste time, as we have been doing, when we might dispose of the business for this afternoon, and return to our homes?

Mr. WEBSTER (Gwydir).—I appeal to the honorable member for New England and the honorable member for Werriwa to refrain from moving inconsequential amendments, which serve only to make this House look ridiculous in the eyes of the people. There are other clauses dealing with important questions of principle, on which they might rightly take action, if they desired to do so; but they certainly ought not to persist in their present line of conduct, which is calculated to make themselves the laughing stock of the whole community.

Mr. JOHNSON (Lang).—I move—

That the Chairman do now leave the Chair, report progress, and ask leave to sit again.

It would be idle to continue this debate, in view of the temper of the Committee. Many honorable members have returned to their homes, feeling that they might safely do so in view of the understanding arrived at yesterday that this Bill would not be taken beyond the second-reading stage, and I do not think any attempt should be made to pass it through the Committee.

Mr. CONROY.—That is why I have objected.

Mr. JOHNSON.—I thoroughly agree with those who take exception to the more or less frivolous amendments that have been moved. Notice has been given of certain amendments which should be moved, and would require very careful consideration. It is only fair that honorable members should not be taken by surprise in this way. There was a general understanding yesterday that the Bill would not be considered in Committee, and in these circumstances we have not had an opportunity to give its provisions the consideration which their importance warrants. The Bill requires to be carefully discussed by a thoroughly representative Committee. Many honorable members who are absent would certainly desire to discuss the measure, and to see their names appearing in the division lists. In their interests, as well as in those of the country at large, I think that progress should be reported. I deprecate the attempt that is being made to rush

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the Bill through the Committee at the present time. When Bills of this character, involving sums of such magnitude, are handed over to the care of private members, a grave suspicion may be created in the public mind that all is not as it ought to be.

Mr. HUME COOK.—That is a wholly unwarrantable reflection, and the honorable member knows it.

Mr. LONSDALE.—Look at the lobbying that has taken place.

Mr. JOHNSON.—I assert that the attempt to rush this Bill through such a sparsely attended Committee may give rise to an impression in the public mind that all is not as it should be, especially having regard to the fact that it is not a Government measure, but one that has been handed over to a private member of the House. As I have already said, I do not believe there is any ground for such a suspicion; but we must pay due regard to public sentiment, and certainly it is our duty to conserve the rights of the public. We have in this Bill a proposal to vote an immense sum—for what purpose? For a national enterprise? No. Simply to put money into the pockets of private individuals, for their own private gain. I think it is necessary that the eyes of the people should be opened to the true character of this measure. If we are to rush it through in this way, we shall be justified in hurriedly passing other measures to divert public funds into the pockets of private individuals. Where is this going to end? The honorable member for Grey has said, with a good deal of justification, that this proposal may prove to be only the thin end of the wedge. Once we establish a precedent for legislation of this class—legislation to which I am absolutely opposed it is impossible to say what will be the outcome. It is impossible for us to deal with this measure this afternoon, as it ought to be dealt with, in the public interests, and it is for that reason that I submit my motion.

Mr. THOMAS (Barrier).—I hope that the honorable member for Hume, who is in charge of the Bill, will agree to the motion to report progress. If he opposes it, I shall vote with him; but I trust that he will see the wisdom of adopting the course proposed, in view of the fact that it will be an absolute waste of time to further consider the Bill this afternoon. Even if it were passed by the Committee to-day, it would be impossible for the Senate to deal with it during the present session, and under our standing orders, it would lapse. We should thus have to make a fresh start next session. In all the circumstances, I think it is highly desirable to report progress, for the further consideration of the Bill must result only in an absolute waste of time, and may engender bad feeling.

Mr. ROBINSON (Wannon).—I certainly think that the motion to report progress should be agreed to. This has been a week of arduous work for the Chairman, and we are making an undue demand upon his powers of endurance by calling upon him to remain any longer in the chair this afternoon. We all are tired, and the best thing we can do is to report progress, and leave for our homes.

Mr. HUME COOK.—The honorable member may leave; others are prepared to remain and proceed with the consideration of the Bill.

Mr. ROBINSON.—The honorable member has only been in attendance for about five minutes during the whole week.

Mr. HUME COOK.—That is not correct. My attendance during the session has been more regular than has that of the honorable member.

Mr. ROBINSON.—The honorable member suddenly enters the Chamber, and makes interjections which are inaccurate and impertinent. I hope, Mr. Chairman, that you will protect me.

Mr. HUME COOK.—I am prepared to back my record against that of the honorable member.

Mr. ROBINSON.—No one, not even the honorable member himself, knows what that record means. In the interests of the finances of the Commonwealth and of the States, I hope that this highly important proposal will be deferred until honorable members are in a more vigorous frame of mind to deal with it. It embodies a number of contentious principles, and there are several important amendments to be considered, not the least among which is that of which I have given notice.

Mr. CONROY.—I have given notice of an amendment that the necessary funds shall be raised by means of direct taxation.

Mr. ROBINSON.—I should like to have an opportunity to give that proposal earnest consideration; because I have fully made up my mind to vote against it. Then, the honorable and learned member for Northern Melbourne has given notice of a most important amendment, which deserves great

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consideration. I protest against rushing this measure through the Committee with indecent haste. Such conduct should call for reprobation, not only in this Chamber, but in the press, and upon the public platform. Considering the condition of the finances of the States, we should not at the instance of a private member be asked to vote £350,000 in the manner proposed.

Sir WILLIAM LYNE (Hume).—I ask honorable members to allow the first two clauses, which are really only formal, to pass. If they do so, I promise not to go further with the Bill to-day.

Mr. CONROY.—In that case, I am willing to withdraw my amendment.

Mr. POYNTON (Grey).—On the assurance of the honorable member for Hume that he will report progress when we have dealt with the first two clauses of the Bill, I withdraw my opposition, but I wish first to make a personal explanation in regard to a matter in which I have been gravely misrepresented. The vote which I gave on the salt duty has been referred to during this discussion in a manner which allowed the inference to be drawn that I voted for that duty without any qualification. As a matter of fact, I voted to reduce the duty on salt from 20s. to 10s., as a reference to the *Hansard* record will show, and, later, when it was necessary to arrive at a compromise between 10s. and 15s., I pledged my word to accept 12s. 6d., and voted accordingly. The honorable member for Parramatta, who was responsible for the innuendo, is not altogether without reproach in regard to what was done in connexion with the Tariff, because he voted for a duty on eggs.

Mr. JOHNSON (Lang).—In view of the promise of the honorable member for Hume to report progress when the first two clauses of the Bill have been dealt with, I will, with the concurrence of the Committee, withdraw my motion.

Mr. HUTCHISON (Hindmarsh).—I object to the withdrawal. It is evident that a section of the Committee is determined that the Bill shall not be passed.

Mr CONROY.—Could it get through the Senate, even if we agreed to it?

Mr. HUTCHISON.—It cannot be passed, so long as the honorable and learned member obstructs its passage by moving all sorts of ridiculous amendments.

Mr. CONROY.—Is that remark in order?

Mr. HUTCHISON.—Well, perhaps, considering the source of these amendments, it is not necessary to characterize them as ridiculous; that goes without saying. I, at any rate, can go back to my constituents, and tell them that, although I was exceedingly anxious that this measure should be passed, and believe that a large majority is in favour of doing something for the encouragement of our manufacturing industries, in order to provide employment for our people, nothing has been done, because of the obstruction of a small minority. Although this Bill has been before Parliament for two years, nothing has been done. We have given no consideration to the thousands who are walking the streets of our cities, looking for employment. When honorable members seek to do something for the unemployed, they are met with the unjustifiable charge that they are associating themselves with political trickery and jobbery. I repudiate that charge.

Mr. THOMAS.—The Labour Party as a body killed the Bill last time.

The CHAIRMAN.—The honorable member may not refer to expressions which have been withdrawn.

Mr. HUTCHISON.—When I go back to my constituency, and the unemployed come to me for bread and butter, to feed their starving wives and children, I shall tell them that a small section of honorable members prevented the passing of a Bill which would have given work to thousands.

Mr. LONSDALE (New England).—The honorable member for Hindmarsh has accused me and others of seeking to take the bread and butter from the mouths of the people, whereas our object is to do all we can in their interests. The difference between us concerns the method in which the people can best be benefited, and I repudiate such a charge as has just been made. My sympathies are with the working classes more than are those of the honorable member for Hindmarsh. I have always done everything that I could for them, whereas he comes here to help to take money out of the pockets of the people, and to give it to the rich. He, a pretended labour man, stands here to-day as one who will do all he can to help the wealthy against the poor.

Mr. CONROY (Werriwa).—It is with great surprise that I have heard the remarks of the honorable member for Hindmarsh. I ask him how is the money which it is now proposed to give to certain manufacturers collected? Is it not taken from the workers and the poor of the community? Great indeed must be the power of the name, when a labour man can advocate the taking of £300,000 from

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the poor of Australia to hand over to two manufacturers!

Mr. HUTCHISON. — That is not being done.

Mr. CONROY.—It is what the honorable member proposes shall be done.

Mr. HUTCHISON.—Is the honorable and learned member for Werriwa in order in saying that I would take £300,000 from the poor, and give it to two manufacturers? I have no intention of doing anything of the kind.

The CHAIRMAN.—The honorable and learned member may not ascribe to another intentions by which he says he is not governed.

Mr. CONROY.—I am glad that the honorable member says that he does not intend to give this money to the gentlemen who have been mentioned, and I hope, therefore, that he will vote against the Bill. Parliament has no right to interfere with manufacturers in the conduct of their business, and manufacturers have no right to ask for subsidies of public money. If these gentlemen are in want, let them take advantage of the provisions of the Old-age Pensions Act. As I have said, I am willing, upon the assurance of the honorable member for Hume that he will not go beyond the first two clauses, to withdraw my amendment.

Mr. CHANTER (Riverina).—I refuse to allow to pass unchallenged the statement that the intention of the Bill is to give £300,000 of the public money to two or three individuals.

Mr. WILKS.—There are only two who will get it, as the honorable member knows.

Mr. CHANTER.—Such a statement of the objects of the Bill is an absolutely unfair one to place before the country.

Mr. JOHNSON.—That is what is meant by it.

Mr. CHANTER.—If the honorable member thinks so, he does not understand the Bill. Every man in this country, whether he be a capitalist or merely an ordinary worker, will be advantaged by its provisions. Its intention is to encourage the investment of capital for the manufacture of iron and steel, in order to provide employment for the workers, and to increase the wealth and prosperity of the country. I cannot understand the opposition to the measure. If honorable members object to its principles, let them say so straightforwardly, and attempt by legitimate methods to secure what amendments are deemed necessary. They have no right to try to make the people believe that the objects of the Bill are other than I have stated them to be. Let the truth go forth to the public. Every one knows that I am in favour of this Bill, and I think that it should be allowed to pass, even at this late stage of the session. I am content to let the public judge my conduct, in contrast with that of honorable members who are using the forms of the House in order to prevent a great national industry from being established, and providing work for a large number of our people.

Mr. JOSEPH COOK (Parramatta).—I should not have risen again but for the vigorous onslaught made upon me by the honorable member for Grey. I feel very keenly the attack upon my fiscal reputation. It is no joke when one has eggs thrown at him, and the honorable member has no right to pelt me politically with eggs at this time of the day. His conduct might have been appropriate at the time we were discussing the protection of our own laying hens against the layers of China. So far as I recollect, I voted with my party even upon that question, and that is more than the honorable member can say, so far as the salt duty was concerned.

Motion, by leave, withdrawn.

Amendment, by leave, withdrawn.

Clause agreed to.

Clause 2 (Commencement).

Sir WILLIAM LYNE.—The clause, as it stands, provides that the Act shall commence on the 1st day of July, 1904. I move—

> That the word "July" be omitted, with a view to insert in lieu thereof the word "January," and that the word "four" be omitted, with a view to insert the word "five."

In its amended form the clause will provide that the Act shall commence on 1st January, 1905.

Amendments agreed to.

Clause, as amended, agreed to.

Progress reported.

PERSONAL EXPLANATION.

Mr. SALMON (Laanecoorie).—I desire to make a personal explanation. Owing to the division bell not ringing in that portion of the building in which my room is situated, I was not aware that a division was being taken this morning upon the motion for the second reading of the Manufactures Encouragement Bill. Had I been present I should have voted in favour of the motion.

FRAUDULENT TRADE MARKS BILL.

Second Reading.

Mr. McLEAN (Gippsland—Minister of Trade and Customs).—I move—

That the Bill be now read a second time.

This Bill has been sent to us from the Senate, where it was carefully considered. It is framed upon the lines of the Merchandise Marks Act which was passed by the Imperial Parliament in 1887. That Act has, on several occasions, formed the subject of inquiry by Committees of the House of Commons, but no important alterations have been recommended or made, with the exception that Customs entries have been included among trade descriptions. I might point out that legislation upon the lines of this Act has been adopted in almost every portion of the British Empire, including all the Australian States except Queensland. The administration in the States has not, however, been uniform, and the object of the Bill is to consolidate the legislation, and to bring it under a central administration for the whole Commonwealth. The Bill is of an eminently practical and useful character. It is very simple in terms, and, so far as I can see, it contains very little of a contentious nature. The measure does not make it imperative that every manufacturer or importer, or other person having goods to sell, shall mark his goods. Perfect liberty is given to sell goods without any distinctive trade mark or description of any kind, but the Bill requires that if goods are marked in any way they must be truthfully described. The marks must not be misleading with regard to the quality of the goods, the materials from which they are manufactured, their place of origin, or in any other respect. For instance, under this legislation, it would not be legal for any person to mark as "woollen," goods which in reality contain, as is often the case, 40 or 50 per cent. of cotton. Further, it would not be legal to mark reels of cotton as containing 100 yards, when in reality they contain only seventy or eighty yards. The same thing applies to the place of origin of goods. For instance, it would not be competent for any person to import goods having a brand upon them which would induce the public to believe that they were made in Sydney or Melbourne, even though they might have been made in a town bearing the same name in some other country. It is not sufficient that the marks shall be truthful in that respect, but they must not be misleading. If goods imported from abroad are marked with the name borne by some town in the Commonwealth they must also bear the name of the country in which the place of manufacture is situated. Clause 4 is very important, inasmuch as it contains definitions which considerably extend the application of the provisions of the Bill. Two kinds of trade marks are referred to. That is, any trade mark registered within any portion of the Commonwealth, or in the mother country, and also any trade mark that is used, but not registered. It is quite common for manufacturers to use distinctive marks which are not registered, but are well known. These are protected by the provisions of the Bill to the same extent as if they were registered. The Bill provides that persons making use of a false trade description shall be liable to a penalty. "Trade description" is defined as any description, statement, indication, or suggestion, direct or indirect, which is misleading or untrue in any respect in regard to the goods to which it is applied or made. Further, a Customs entry is also made a "trade description," and an incorrect description of goods in such entry would render a person liable under the Bill. Clause 5 applies entirely to the forgery of registered trade marks, which, as explained before, mean marks which are legally registered under any Act. Clauses 6 and 7 relate to the manner in which a mark shall be deemed to be applied, and it may be remarked that, according to the decisions given under the English Act, a person who invoices goods under an incorrect designation, or mark, is taken to have applied the same. Clause 8 apples to the false use of trade marks. The next clause is an important one, inasmuch as it makes it penal to use any trade mark in an improper way, or to apply any false description to any goods, and throws the burden of proving innocence upon the person who applies the mark or description. Clause 10 deals with persons who may not themselves have actually committed an offence under the preceding clause, but who may sell or expose for sale, or have in their possession for sale, or for the purpose of trade or manufacture, any goods to which a false description has been applied. Clause 11 relates to the importation of goods with false marks. Clause 12 is a new one, and applies the same condi-

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tions to exports as are applied under existing legislation to imports. That provision is intended to prevent any manufacturer or owner of goods from exporting goods under any false trade mark or misleading description as to their character or quality. In fact, it is exactly the same provision that is applicable under existing legislation to imports.

Mr. Carpenter.—Will it apply to butter which has a false brand upon the box?

Mr. McLEAN.—Certainly. It will apply to any false description of any commodity exported. The object of the clause is to protect the honest manufacturer, the honest trader, and also the consuming public, either here or abroad. It is hoped that its effect will be to establish a reputation for Australian products, and prevent the damage of Australian trade by unscrupulous persons.

Mr. Spence.—In other words, it is proposed to make it worth while to be honest?

Mr. McLEAN.—Yes. Clause 13 renders any person, or any accessory, even when the act is committed outside Australia, liable to a penalty. Clause 14 is another of the most important provisions in the Bill. Its object is to prevent a person from using the name of a manufactory or producing place within the Commonwealth, or within the British Empire, with the object of misleading. It classes as prohibited goods all goods to which a false trade description has been applied, and goods bearing the name of a place situated in Australia without qualification, or foreign-made goods with a British name upon them, without similar qualification. Clause 15 further emphasizes this, by prohibiting the use of any name which is similar to the Australian name of a place unless there is complete evidence as to the country in which such place is situated. The next clause applies in the same way to places in the British Dominions. Clause 17 enables all the powers of the Customs officers and Customs Act to be applied to imported goods referred to in clause 14. Clause 18 enables the Customs, when there is no evidence that the importer has been in any way concerned in the illegality, to deliver up the goods imported, and clause 19 contains a similar provision in regard to goods exported. These provisions are intended to protect an innocent person from punishment for an unintentional error. Part IV. of the Bill refers to legal proceedings, and is in harmony with legislation which already prevails both in England and the different States. Consequently, it does not call for any special comment. Clause 35 is of importance, inasmuch as it provides that when goods are sold with a trade description, the vendor shall be deemed to give a warranty that the goods are as described, unless he voluntarily, and in writing at the time of the sale, expresses otherwise to the vendee. It is a most important provision. Clause 36 provides for making regulations for giving effect to the various provisions of the Bill. I do not think that there is much of a contentious nature in this measure; it is a very useful and practical one, and I trust that the House will allow it to pass its second reading without undue delay.

Mr. WATSON (Bland).—I do not think it is necessary for me to say much in regard to this Bill, except that I am heartily in sympathy with its object. The only doubt which I entertain is, whether our powers under the Constitution are comprehensive enough to allow of efficient treatment of a subject of this character. There is an element of doubt as to whether we are empowered to legislate to the full extent in regard to false descriptions of goods as distinct from trade marks, as they are conventionally understood. Another question may arise as to how far we are justified in attempting to deal with false descriptions of goods manufactured in one State, which it is not attempted to export from that State. However, I am inclined to go as far as the Constitution will allow us to go in that direction. I think that the public throughout the Commonwealth are not only in favour of this kind of legislation, but that they would welcome any attempt to comprehensively deal with the subject in a measure which would minimize, if not to prevent absolutely, the troubles which have arisen in this connexion. There is no doubt that, in regard to imported—and in a lesser degree in regard to some classes of manufactured goods—a great deal of misrepresentation exists. Some of it has been of an innocent character, but some of it has exercised a very detrimental effect upon the purchaser. I feel sure that everybody will welcome this legislation, and I trust that the Bill will be placed upon the statute-book this session.

Mr. CARPENTER (Fremantle). — I wish to express my pleasure that the Government, even at this late stage of the session, have given the House an

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opportunity to discuss this Bill. The measure has been hung up for several months, and I should have been glad if we had been afforded an earlier opportunity of dealing with it. I am aware that other business has had to take precedence of it; but I do not know that we have not wasted time in discussing measures which it was never intended should be passed—time which might fairly have been devoted to a consideration of this Bill. The remarks which were made yesterday concerning another measure might very reasonably be applied to this. It is another instance of the wisdom and necessity of the public conscience being applied in some way as an antidote to the commercial immorality of the present day. Anybody who has read—and I suppose most honorable members have done so—the extent to which fraud has crept into the ordinary affairs of commercial life, must be surprised that the confiding public, which pays an honest price for what it conceives to be honest goods, has had foisted upon it from time to time goods which are not in any sense what they are described to be. In nearly all instances, it is the poorest class of the community who suffer most, because its members have to purchase the cheapest goods. The individual who can afford to pay top prices for everything generally escapes, although I am not sure that he is altogether free from this evil. But the poorer man, who has to carefully study the expenditure of every penny, suffers considerably by such practices as this Bill is intended, in some degree at least, to cure. Some time ago I had the privilege of conversing with a gentleman who, during the past two years, has been engaged in commercial pursuits. Having entered upon a commercial occupation late in life, he expressed astonishment that in almost every department of the business in which he is engaged, he met with fraud and misrepresentation. He said, "The commercial life of this city is hollow and rotten from top to bottom. I had no idea, when I entered this business, that I should find so much fraud and pretence." Honorable members may, perhaps, have observed in an English newspaper some statements bearing upon this subject, which I propose to read. I am quite prepared to discount a good deal of what is published in the English press concerning any class in Australia, because as a rule its reflections are cast upon the political party with which I am associated, and the particular section of the community to which I belong. But it occasionally happens that it is impartial in its condemnation. Hence I find the following passage in the *Morning Post*, which, as honorable members are aware, is a Conservative journal:—

> Fraud and trickery of the meanest and most despicable kind permeate the commercial life of the country, and this re-acts in turn upon those representatives in national and municipal institutions who are elected by the votes of these disreputable citizens.

That journal comes to the conclusion that where corruption exists in commercial life it must also exist in political life. I hope that that is not true. Indeed, I believe that the passing of this Bill will, at least, afford evidence that we are desirous of putting down these evil practices. The *Pall Mall Gazette*, in writing upon the same question, says:—

> At one time in England we were accustomed to look for commercial brigandage and acts of dishonesty that would disgrace the scum of Whitechapel among those Armenian merchants who carried on the Levant trade with England. To-day, we are sorry to state, the Armenian is outstripped by the Melbourne British Customs thief. It is humiliating to think that Australia is peopled by the British race. Fortunately for society, the working classes and the farmers are taking a deeper interest in the political life of the country. Although no party has lived through more abuse than the Labour Party, still it contains and has for supporters in the country, the only stable elements in society. Their ideals are purity of public and municipal life.

The Minister who has introduced this Bill is a farmer's representative. The revelations which have recently been made, not through the fault of the farmers, but through the fault of those who have had dealings with them, show that our export trade—particularly the Victorian butter export trade—has suffered a good deal, and may suffer much more as the result of fraudulent practice. I am particularly pleased that this Bill is designed in some degree to prevent a continuation of that practice. Evidence has been forthcoming that even in the export of butter the practice of fraud has crept in to such an extent that after a farmer has supplied a first-class article to the agent, it has been taken out of the box, and an inferior article substituted. Honorable members scarcely need to be reminded that such practices must exercise a bad effect upon our trade, and they certainly should not be permitted to continue. There is another point to which I must briefly allude. I am pleased that the Bill contains provision not only against fraud on the part of manufacturers and im-

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porters, not only to encourage honesty in this class, but to give the public an opportunity to judge whether goods offered for sale have been manufactured or produced under favorable conditions of labour. In asking for protection for the manufacturer and the importer the Government cannot very well refuse to demand similar assistance to the wage earners engaged in producing their wares. The introduction of what is known as the trades union label is justifiable on every ground, and I trust that that part of the Bill which deals with the question, as well as the rest of the measure, will have the unqualified support not only of the Government but of the whole House.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clauses 1 and 2 agreed to.

Progress reported.

ADJOURNMENT.

TRADE MARKS BILL: ORDER OF BUSINESS.

Motion (by Mr. REID) proposed—

That the House do now adjourn.

Mr. WATSON (Bland).—I think that the Prime Minister might well indicate what business he intends to take on Tuesday next. I suggest for his consideration that it might be possible to deal not only with the Fraudulent Trade Marks Bill, but with the Trade Marks Bill. The right honorable gentleman said that, if possible, he would deal with the measure if there were no likelihood of a long debate.

Mr. McLEAN.—There is one very contentious provision in it.

Mr. WATSON.—I admit that one part of the Trade Marks Bill is a somewhat contentious one, but it is quite possible that honorable members would agree to come to a vote upon it without any lengthy debate. I think it is very improbable—although I speak, of course, with some reservation upon the matter—that we shall be able to reap the full advantages of the international union with regard to patents laws generally until our trade marks legislation is put on the same footing with our general patent law. If that be so, it is highly desirable that a Trade Marks Bill, as complementary to the Commonwealth Patent Act, should be passed during the present session instead of its consideration being delayed until the second session of the Parliament. Until such a measure shall have been passed our inventors must be deprived of the advantage of the seven months' protection which would accrue to them under the International Patent Union.

Mr. CONROY.—Is the honorable member referring to the Fraudulent Trade Marks Bill or the other?

Mr. WATSON.—I am speaking of the Trade Marks Bill. The point I have just mentioned constitutes an additional reason why some effort should be made to pass that measure before the session closes.

Mr. McCAY.—But it contains one very contentious provision.

Mr. WATSON.—Surely we can arrange to take a vote upon it without any lengthy debate.

Mr. LONSDALE.—A number of honorable members might be absent, and I do not think the Bill should be dealt with unless the contentious provision referred to is dropped.

Mr. KING O'MALLEY (Darwin).—I should like to ask the Prime Minister whether he will endeavour to set apart some time next week for the consideration of the motion relating to Old-age Pensions, and one or two other matters in the list of private members' business?

Mr. FRAZER (Kalgoorlie).—In view of the state of business in another place, it is probable that this House may sit a little longer than is at present anticipated. In that event, I should like to know whether the Prime Minister would have any objection to bring the message from the Senate with reference to the tobacco monopoly under the heading of Government business, and to allow us to devote any spare hour that we may have to its consideration.

Mr. KELLY (Wentworth).—If the Prime Minister adopts the course proposed by the honorable member for Kalgoorlie, I hope that he will give the House ample warning, because there are several honorable members who, like myself, are very anxious to express their views with regard to the Senate's message No. 3.

Mr. ISAACS (Indi).—I would indorse the remarks made by the leader of the Opposition with regard to the Trade Marks Bill. It is a matter of great importance to the commercial community. As we all know, there are many anomalies in relation to the use of trade marks in the various States.

Mr. WATSON.—Those anomalies are being increased while the separate State Acts remain in force.

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Mr. ISAACS.—They are. We know that trade marks which are possessed by commercial men in some States are not their property in others. There is a great diversity of trade mark rights in the various States of the union, and the sooner this state of affairs is cured, the better. This is one direction in which the Federation should prove very advantageous, and if the Prime Minister can see his way clear to deal with the Trade Marks Bill—certainly the non-contentious portions of it—before the prorogation, it will be appreciated by the commercial community.

Mr. REID (East Sydney—Minister of External Affairs).—I am filled with a desire to meet all the wishes of my honorable friends if I can do so, but I should like to devote as much time as possible to the very important question of Preferential Trade. I should also like to give some time to the further consideration of the Manufacturers Encouragement Bill in Committee, if there is any chance of our doing useful work in that direction. A certain Division has been included in the Trade Marks Bill, which is entirely foreign to an ordinary measure relating to trade marks.

Mr. WATSON.—Oh, no.

Mr. REID.—That, at all events, is the view of the Government. The Division to which I refer seems to me to constitute the only contentious part of the Bill, and I am informed that it would evoke very considerable discussion.

Mr. FRAZER.—There will be a considerable discussion if it be not taken up.

Mr. WATSON.—We desire to get a vote on it.

Mr. REID. — The honorable member asked, "If there be a strong feeling in regard to this part of the Bill, why not take a vote on it?" I have had that yearning for something like three months. It has been on the tip of my tongue to say over and over again, "Let us take a vote." But that is one thing to which honorable members are not prepared to consent, even in regard to matters on which they do not entertain strong convictions. Those who had a strong objection to the part of the Bill to which I have referred would, at this last stage of the session, when there is not a full opportunity to consider contentious matters, certainly decline to take a vote without discussion, and the consideration of the matter might, therefore, lead to only a waste of time. That would seem, judging from to-day's proceedings, to be the position with reference to the Manufactures Encouragement Bill. The time to pass any measure is now so limited that it almost offers a premium to honorable members to throw difficulties in the way of the passing of measures to which they have very strong objection. I am anxious to make the best use of the time left at our disposal, and I should like to give prominence to the Preferential Trade debate. I wish to make some observations in reply to the speech of the honorable and learned member for Ballarat. I should like to ask the House, so far as I can see at present, to deal on Tuesday with the Sea Carriage of Goods Bill, and also to advance the debate on the motion relating to Preferential Trade another stage.

Question resolved in the affirmative.

House adjourned at 4.12 p.m.

Senate.

Tuesday, 13 December, 1904.

The PRESIDENT took the chair at 11.30 a.m., and read prayers.

DEFENCE BILL 1904.

Assent reported.

PAPERS.

Senator Sir JOSIAH SYMON laid upon the table the following papers:—

Transfers approved by the Governor-General under the Audit Act.

Provisional regulations concerning the amendment of financial and allowance regulations under the Defence Act 1903.

DEFENCE ADMINISTRATION.

Senator MATHESON.—Has the Attorney-General inquired, as he promised to do, whether the professional member of the Naval Board will hold a State command also?

Senator Sir JOSIAH SYMON.—That question was not put to me before. What I was asked was if other duties would be given to him. The Minister of Defence has not yet returned from Sydney, but when he does I shall communicate with him on the subject.

IMPERIAL CONFERENCE.

Senator HIGGS.—I wish to know from the Attorney-General, in reference to the cablegrams in this morning's newspapers about the proposed Imperial Confer-

ence, if he will have inquiries made as to the likelihood of such a Conference taking place before July next, and of the representation of Australia at it. If the Commonwealth is to be represented by its Prime Minister, will that gentleman inform Parliament whether it is his intention to pledge the Commonwealth to any measures before honorable members have been consulted in regard to them?

Senator Sir JOSIAH SYMON.—There is a good deal of the prophetic about the honorable senator's question. I do not know to what he is referring, unless it is the cabled report of the deputation which has just waited on the Prime Minister of England, suggesting an increased contribution from the Colonies towards the defence of the Empire. I do not know anything in regard to the supposed Conference, except that it was stated some time ago that if the English Government are successful at the next general elections, the question of holding an Imperial Conference will be considered.

ORDER OF BUSINESS.

Motion (by Senator Sir Josiah Symon) proposed—

That Government business, Orders of the Day, be postponed until after the consideration of Notice of Motion No. 1, private business.

Senator STEWART (Queensland).—Why is this re-arrangement of business proposed? I have no objection to private members being given an opportunity for the consideration of their business, but if a discussion on preferential trade be entered on now——

Senator McGregor.—It will last until Christmas.

Senator STEWART.—It will still further limit the time at our disposal for the consideration of the Estimates, and, therefore, I distinctly object to it. I understand the motives which animate the Government in this matter. The discussion of the subject has been permitted in another place, and it is considered that an opportunity should be afforded for a similar discussion here. To debate the subject of preferential trade now, however, is a needless waste of time, because nothing definite can be done, while it will prevent the full consideration of more pressing matters.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I have promised on two occasions that an opportunity should be given for the initiation of this discussion, but have hitherto been unable to arrange a day. I intend now to ask the Senate to continue the debate on the second reading of the Appropriation Bill after the luncheon adjournment, so that the interval between now and 1 o'clock may be available for the discussion of preferential trade.

Senator Stewart.—I object to it as a scandalous waste of time.

Question put. The Senate divided.

Ayes	... ...	14
Noes	... ...	4
		—
Majority	... ...	10

AYES.

Baker, Sir R. C.	Pearce, G. F.
Dobson, H.	Pulsford, E.
Drake, J. G.	Smith, M. S. C.
Gray, J. P.	Symon, Sir J. H.
Henderson, G.	Turley, H.
Higgs, W. G.	
Keating, J. H.	*Teller:*
Matheson, A. P.	Clemons, J. S.

NOES.

Givens, T.	
McGregor, G.	*Teller:*
Styles, J.	Stewart, J. C.

Question so resolved in the affirmative.

PREFERENTIAL TRADE.

Senator PULSFORD (New South Wales).—I move—

1. That any policy, however good the motive behind it, which restricted commerce between the Empire and foreign countries would lessen the well-being of the British people, and would tend to weaken both the unity and the power of the Empire.
2. That each self-governing part of the Empire, including the United Kingdom, should maintain its full freedom of action in regard to its own Tariff.
3. That India and the Crown Colonies whose peoples have no direct voice in framing their Tariffs should not have the power of free commerce which they now possess in any way lessened.
4. That, as the proposed restriction of the imports of foreign breadstuffs into the United Kingdom would raise the cost of bread throughout the entire Empire, any such restriction would be very regrettable.

I do not propose to ask honorable senators to pay a visit to cloudland to-day. I prefer to invite them to travel along pathways where at least a footing can be obtained, and along which, with experience and knowledge as guides, we may expect to make some progress. If I am asked whether I have faith in the future of our Empire, I reply in the affirmative, because I believe in our people and that their love of freedom is no passing impulse, but is instinctive and undying. In my judgment, no other Empire depends so much

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for its safety and perpetuation upon the principles of freedom as does our own. I tremble to think what might happen if the British people, through following wrong counsel or indifference, adopted the ignoble course of penalizing the industries of other countries in order to secure greater rewards for themselves. I see the greatest dangers in the scheme now being brought forward, under which an attempt is being made to induce the people of Great Britain to penalize, more or less, the commerce of the whole world, apart from the British Empire. I admit at once that the term "preferential trade" is more pleasing to the ear than the term "penalized trade"; but when it is proposed to penalize more people and more trade than will be accorded a preference, it is more correct to apply the term "penalized trade" than the more pleasant sounding phrase. Are we to ask Great Britain to penalize the commodities of all countries outside the Empire in order that the commodities of countries within the Empire may have a preference? Are we to deliberately ask the motherland to add to the burdens of her millions of people in order that we may be placed in a position of advantage? I wish to direct the attention of honorable senators to some of the factors, which, out of cloudland, must arrest attention, whilst we are endeavouring to decide whether in the years and centuries that are ahead of us the proposal to impose a penalty on one side and preference on the other rests on solid ground, and would be likely to add to the dignity, nobility, and power of the Empire. In my judgment, the scheme of preferential trade which has been evolved is full of dangers and contradictions, and is not likely to be of any service to the Empire. In the brief time at my disposal, I shall not be able to elaborate my arguments as much as I should have desired, and, therefore, honorable senators will have to take a great deal for granted. I will ask honorable senators to think over a few matters which, in my judgment, point unerringly to the fact that the scheme which has been brought forward is neither safe nor wise. I should, in the first place, direct attention to that great country, India. The whole of the self-governing countries of the United Kingdom to-day do not embrace as many as 60,000,000 of people, whereas India has a population of about 300,000,000. That vast Empire constitutes the greatest and most sacred trust that was ever reposed in any nation, and is one with which I believe the people of Great Britain will be slow to tamper. Not long after Mr. Chamberlain had expounded his policy upon the subject of preferential trade, the Governor-General of India was able to show conclusively that his scheme was not likely to add to the prosperity of India. He demonstrated, by means of statistics, that India carried on an immense trade with foreign countries, which purchased enormous quantities of its produce, and that any attempt on the part of Great Britain to aim a blow at other nations must rebound upon India.

Senator STYLES.—Would that also apply to Australia?

Senator PULSFORD.—I am sorry that I have not time to reply to interjections, and I trust that honorable senators will not consider that I am discourteous to them if I allow their remarks to pass without comment. That well-known Anglo-Indian, Sir Albert Edward Sassoon, in an article published in a London magazine, laid his finger upon the fact that neither at the Conference of Premiers which was held in 1902, nor at any other time since, had the position of India in regard to this subject been considered. He very much deplored that that country, with its 300,000,000 inhabitants, should be neglected in this way. When I read his statement, I wrote to Sir Albert Edward Sassoon pointing out that in Australia I had already emphasized the neglect which was being evinced towards Indian affairs. In reply, I received a letter in which he stated that anything done in Australia which evinced a regard for the people of India would be warmly welcomed. I think that the injury which would be done to India alone under any preference scheme is sufficient to stamp the whole of this policy as a dangerous one, and one which the people of England ought to cast upon one side. Then I invite the attention of honorable senators to another country—I refer to Japan. All I wish to point out in this connexion is that for a few years past Japan has been, and still is, the ally of Great Britain. Is Great Britain to penalize the trade of her ally? Then there is another country of immense interest to us—a country possessing a great history and a great past—I mean Egypt. Under British management, Egypt is again rising to an important position in the world, and I wish to

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know how that country would fare under any scheme of preferential trade? I need scarcely point out that Egypt is not a British Possession, although it is under British control. Is Great Britain to penalize the products of that country? Then I come to the United States. I say that it is the dream, the eager desire of the best hearts in English-speaking countries, that there should be a lasting and a complete alliance between the Anglo-Saxon countries all the world over. I wish to know if such an alliance would be assisted by the adoption of a scheme on the part of Great Britain which would penalize the goods of America? In this connexion, it is very singular that some time ago the London *Times*—which, as honorable senators know, is the chief press organ of this new policy —in an article upon the subject, declared that it would be statesmanship of the very highest order if America, being an Anglo-Saxon country, were included in the circle of preferences. That statement, to a very large extent, gave away the whole scheme, because the United Kingdom imports from the United States a very large proportion of her goods. Indeed, if the imports from the United States, and from British Colonies, be added together, they total one-half of the imports of Great Britain. If we add to that amount one-fourth for the raw materials included in the other half which it is not proposed to tax, we see that, under the suggestion of the *Times*, three-fourths of British imports would be actually free from all penalization. If 75 per cent. of British imports are to be thus admitted, why not go further and admit the whole 100 per cent., as at present? Then I would direct attention to the fact that there are a number of countries where the duties imposed upon British goods are exceedingly light—where, in fact, the Tariffs operating are less severe than they are in some of the British Colonies. In this connexion, I may instance Denmark and Norway. The Tariffs of these countries are less antagonistic to British trade than is the Tariff of Canada. What position is Great Britain to take up in regard to these light Tariff countries? Is she, upon the plea of making a fight against certain high Tariff countries, to penalize other countries in which low Tariffs are operative and which subject her goods to lower duties than those which obtain in certain British communities to-day? As honorable senators are aware, Canada is the country which first adopted this system of preferential trade. Consequently, it would be well to inquire whether that policy has proved successful there. I notice that last week the commercial agent of that country in Melbourne delivered an address in which he stated that in the seven years since preference had been granted to the mother country the imports from Great Britain into Canada has increased by 100 per cent. I must say that whenever any person gets bewitched by that old hag who masquerades under a thick veil as Sweet Miss Preference his wits seem to go wool-gathering. We have had various illustrations of that. We know that Mr. Deakin, at a public meeting, actually assured his hearers that Great Britain paid foreign countries £800,000,000 per annum, thus making an error of at least £500,000,000.

Senator DRAKE.—I do not think he said that.

Senator PULSFORD.—He did. In addition to that we know that Mr. Irvine, who has recently returned from a visit to the old country, stated in an address at Horsham that it was proposed that all the goods of Australia should obtain some benefit in the mother country. Although he has been at the head-quarters of this agitation, he is apparently oblivious of the fact that wool and raw materials generally are intended by Mr. Chamberlain and others to be excluded from any scheme of preferential trade which may be adopted. He is also unmindful that if it were intended to include wool in the list of articles to which a preference should be granted, effect could not be given to the proposal, because the production of wool in Australia amounts to twice the consuming power of the whole of the British Empire. I find that the statement made by the Commercial Agent for Canada was quite true so far as it went, but that, in the absence of certain facts, it creates a wrong impression. It is certainly true that between the years 1897 and 1903 the imports into Canada from Great Britain increased by 100 per cent.; but at the same time the imports into Canada from the United States of America increased by 121 per cent. In other words, the imports into Canada from the United States of America in 1903 amounted to 137,000,000 dollars, while those from Great Britain were of the value of only 58,000,000 dollars, although that was after the preferential Tariff had come into operation.

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Senator GIVENS.—But that is a one-sided preference; Great Britain gives Canada nothing.

Senator PULSFORD.—I am speaking of the statements made by the commercial representative of Canada. He claims that the preferential policy adopted by the Dominion has been of immense good to the trade of Great Britain, and I am pointing out, in reply, that during the years to which he refers the imports into Canada from the United States increased to a far greater extent than did those from Great Britain.

Senator KEATING.—The imports from the United States would have increased still more had there been no preference to Great Britain.

Senator PULSFORD.—In no part of the British Empire are the imports from Great Britain relatively so small as are those of Canada.

Senator KEATING.—They would have been far less without preference.

Senator PULSFORD.—That is incorrect. As a matter of fact, Canada is already wearying of the preferential trade arrangement.

Senator TRENWITH.—Wearying of its one-sided character.

Senator PULSFORD.—No. The woollen manufacturers of Canada asserted during the present year that they could not fight the British woollen manufacturers if they were allowed a protection of only 23⅓ per cent. The Tariff was 35 per cent., but it was brought down to 23⅓ per cent. by the reduction granted to imports from Great Britain. The woollen manufacturers of Canada raised so keen an agitation that the Dominion Parliament has enacted this year that in future the woollen goods of Great Britain are not to be admitted under anything less than 30 per cent. duty. So that to-day, instead of enjoying an advantage of one-third over those of foreign manufacture, the British woollen goods imported into Canada have an advantage of only one-seventh—a preference which is altogether too trifling to be of any value. But the Canadians have done something more than that. The Parliament has enacted that from the beginning of next year no preference shall be allowed to British goods that do not enter Canada through a Canadian port. When we remember that various Canadian ports are blocked by ice for several months in the year we must recognise the importance of this decision. Goods intended for distribution in Canada must be landed at the extreme end of Nova Scotia, at St. John, and carried long railway journeys if they are to obtain any advantage under the preferential Tariff. If they are landed at a United States port, and carried over the railways of that country into the interior of Canada, they will not receive any preference. It is obvious, therefore, that I have been quite correct in asserting, from the first, that no country which is protectionist at heart will give way on the protective policy. Its people will talk of preference, but if they find that the policy of protection is being undone in any way by the policy of preference they will at once make a change. This is a very important matter for Australia to consider. I do not care what any Australians may suggest or offer to Great Britain, if they are convinced that the policy of protection is a right one, they will sweep aside the matter of preference. I come now to the position of New Zealand. Some twelve or eighteen months ago the Legislature of that Colony passed an Act by which a certain preference in respect to a limited number of articles was given to Great Britain. But it is not merely a preferential measure; it is called a Preferential and Reciprocal Act. Under this Act New Zealand has power to make arrangements with any foreign country in a similar direction. If a foreign country will admit her goods at a reduced duty, or duty free, New Zealand will on her part make concessions with regard to imports from that country. Honorable senators will see at once how this arrangement for reciprocal trade with foreign countries cuts away that made for preference with Great Britain. Some two or three years ago—just after the close of the war—the South African Customs Union was formed, under which a small preference, amounting, I think, to about 2½ per cent., was given to British commodities. That preference, however, does not cover a very large number of articles. There is one significant feature associated with the making of this arrangement. When the Bill to give effect to it was before the Legislative Council of Cape Colony, an amendment was moved, with a view to eliminating the preferential proposals, and inserting another set of a protective character. The voting on the amendment was equal, and the Government

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proposal was carried only by the casting vote of the President. That is a very significant fact. It conveys a warning lesson, which we ought to take to our hearts; because, as I have already pointed out, in a country which is committed to, or believes in, protection, the policy of preference cannot stand if it be carried to a point which undoes in any way the former principle. If after the great strike in South Africa this matter had been left untouched, if parties had been left to settle it themselves, and to fight out the question alone—as I suppose they will some day—it would have been better and wiser, and more in accordance with the general policy of the Empire. I would draw attention to the fact that the rewards, if I may so call them, or the payments, under this scheme, would be very unequal. I have already pointed out that Australia would reap no benefit, so far as her main products are concerned, but Canada, being principally engaged in producing grain and meat, would be able to secure a substantial advantage. Australia and South Africa produce a great quantity of gold, which is practically a raw material in both countries, but no preference could be given to it, although it is an article of commerce, so far as South Africa and Australia are concerned. There is no way in which any advantage could accrue from a policy of preferential trade to those engaged in the gold-mining industry. The Empire is very much greater than a number of people seem to imagine, and the list of articles which it produces in excess of its consuming power—and which cannot, therefore, obtain any advantage from a preferential policy—is also very large. We have, in addition to wool, tallow, hides, and skins, tin, and cheese, and already the imports of cheese from Canada have become so large that they practically meet all the wants of the United Kingdom. Then we have jute, rice, tea, palm oil, cocoanut oil, ginger, rum, fish (such as salmon), gutta percha, pearl-shell, indigo, woods (such as mahogany and teak), seeds, and nuts, for expressing oil therefrom, dye woods, and various drugs; making, altogether, a very large list of articles which are produced in the Empire to such an extent that it would be impossible, by any legislative measure, imposing duties on the goods of foreign countries, to give those goods any advantage. Honorable senators must know very well that it is proposed in England, by the action of certain duties, to transfer to the Colonies certain trade which is now done with foreign countries. But if honorable senators have not been very fast asleep, they must also have noticed that it is distinctly stated in England that "if we make this proposed agreement with the Colonies, we shall be able to use it as a lever with which we shall be able to force foreign countries to lower their Tariffs against our goods." Very well; but what then becomes of the advantage to the Colonies? It is, at any rate, largely reduced. The policy which starts by giving Australia and other portions of the Empire advantages, is afterwards to be destroyed by using the arrangement so made to bring down foreign Tariffs. I should like to draw attention to another fact. When a new policy is proposed, no advocate of it endeavours to insert the thick end of the wedge. He begins with the thin end. That is what Mr. Chamberlain did in regard to duties on wheat. He talked about 3d. per bushel being sufficient to transfer from foreign countries to the Colonies, the great trade that is now done. But the eager spirits who are always to be found in agitations of this sort soon went far beyond Mr. Chamberlain's proposals. In, I think, the *Fortnightly Review*, of last December, there was an article by Mr. W. H. Mallock, an English writer, in which he says that the lowest duty that should be imposed is 2s. per bushel, 16s. a quarter. He goes further than that. He says that while 16s. a quarter should be levied on wheat from foreign countries, 14s. a quarter, or 1s. 9d. per bushel, should be levied on wheat from British communities; leaving to the Colonies the advantage of 3d. per bushel, which Mr. Chamberlain originally proposed. This is the natural consequence of proposals such as those made by Mr. Chamberlain. And if the advocates of this policy can have their way, we may be quite sure that sooner or later these small duties would give place to much greater ones, and that, under the influence of those greater duties, the large trade now done with the United Kingdom in many articles of food would gradually approach to the smaller dimensions which existed in bygone days, when prices, owing to duties, were much higher than they are to-day. It is also worth while to remember that under a preferential scheme there would be large numbers of articles which would be excluded from the action of preference for financial reasons.

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Thus, Canada does not give preference to all British goods on which she imposes a duty. She excludes a large number of articles. And if we were making any arrangement with Canada, she would exclude from any preference such articles as Australian brandy, wines, and so on. I should like honorable senators to notice the first report of Mr. Chamberlain's Commission. That Commission, after sitting a considerable time, issued its first report in July last. This report spoke about the development of colonial markets. The Commission also proposed that there should be a maximum Tariff with comparatively high duties subject to reduction by negotiation; again confirming what I have already pointed out that it is intended by the people who are advocating this new policy in England that the Colonies should be used as a lever to work arrangements with other countries. There is, I am sorry to say, a distinct tendency in the old country under the influence of this new policy to deny to Australia and other parts of the Empire their full independence. One writer—I think it was in the *National Review*—spoke of the market which existed owing to British energy and heroism. He also spoke of how foreigners were ousting Great Britain from her own markets, evidently following up the old idea which prevailed in England years ago that colonial markets exist for the exploitation of British merchants. I want free-trade; I want British merchants and all merchants to have access to our markets. But I do not want that under any arrangement but a full free-trade policy. I ask honorable senators not to shut their eyes to the fact that if a policy such as this can be inaugurated, there is a party in England that will try to use it for ends of their own. Indeed this policy seems to me to unsettle people's minds, and they lose sight of what is due from one to another. Even in the other House we have Mr. Deakin, who is, I believe, a constitutional authority, concluding a series of motions by proposing that that House shall give the Government the authority to enter into negotiations with the United Kingdom for doing certain things. His motion, if carried, cannot possibly have any effect, because it ignores the Senate. This sort of thing is continually growing. When people take up a policy such as this, they lose sight of the rights of other people.

Senator TRENWITH—If the honorable senator's resolution were carried, would not that be ignoring another place?

Senator PULSFORD.—I am not asking the Senate to move the Government to do anything. Mr. Deakin is proposing that the Government shall do something, and shall do it on the authority of the other House alone.

Senator TRENWITH—The honorable senator is proposing to give to the world an expression of the opinion of Australia, from one House of the Federal Parliament.

Senator PULSFORD.—Another point in connexion with these proposals, I think, must be obvious to honorable senators. There is in this policy nothing which can fully satisfy either the free-trader or the protectionist, but it must make of this old matter more of a battle-ground than ever, and must leave uncertainty and quarrelling everywhere. There is another phase of the question to which I wish to direct very special attention. The proposal of Mr. Chamberlain, that duties shall be imposed on breadstuffs, has raised a very strong feeling in England, and the belief that men in the British Colonies are indifferent to the cost of living in the United Kingdom has created a very painful impression. There have been numerous cables sent out to Australia, and numerous representations have been made as to the feeling in Great Britain on this subject. I have myself had many evidences of this. My honorable friend, Senator Matheson, in a very useful letter in the press, only a few days ago, stated, as the result of his own experience in England, that it was a fact that there was a very strong feeling arising against the Colonies on account of their callousness. Within the walls of this building, and within the past fortnight, Mr. Caldwell, a member of the British House of Commons, told me of the things that had been said in Great Britain, which I should not like to repeat in this Chamber. Honorable senators may be assured that there is a very strong and a very painful feeling growing in the old country with regard to the callousness of the people of Australia and Canada, that, living under the protection of the flag, to support which they contribute but little, they should at the same time be willing to foster a policy which would add to the cost of living of every family in Great Britain.

Senator DRAKE.—Mr. Chamberlain says that he does not propose to increase the cost of living.

Senator PULSFORD.—Fortunately we can calculate for ourselves.

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Senator DRAKE.—He proposes to remit other duties.

Senator PULSFORD.—I wish to say in regard to this that apparently it has not yet been recognised in the United Kingdom, and I am sure that it is not fully recognised in Australia, that if any proposal be carried under which the cost of breadstuffs is increased in the United Kingdom, it will be increased also in Australia. If this policy be adopted the cost of living will be increased in every household, not in the United Kingdom alone, but throughout the British Empire where breadstuffs are consumed. I ask honorable senators to notice the following sentence, which I take from a leading article which appeared in the *Age* of 6th December, only last week:—

The protectionist ought to be ready to embrace preferential trade as an integral part of his policy.

Very well, what did the *Age* say last month? I quote the following sentence from a leader in the *Age* of 7th November:—

There can no more be a moderate protectionist than there can be a man moderately honest, or a woman moderately chaste.

Honorable senators will see that it is necessary to interpret the first statement about protectionists and preferential trade in the light of the second statement that the protectionist cannot be moderate, and there is no such thing as a moderate protectionist. Therefore the preference of the *Age* is an entirely different thing from the preference of Mr. Chamberlain. Honorable senators should not forget that.

Senator TRENWITH.—The preference of Mr. Chamberlain is unmistakably protection for the Empire.

Senator PULSFORD.—I should also like to ask honorable senators to seriously think out what this means: To-day Great Britain is looked upon as the "Mistress of the Seas."

Senator FRASER.—So she is!

Senator PULSFORD.—So she is; but I wish honorable senators to consider whether she is not largely entitled to that position and that name because she guards the freedom of the seas, and whether she would not be likely to arouse antagonism and, to some extent, at any rate, endanger her position if she used her power to lessen the freedom of the seas, and to penalize the trade of foreign countries?

Senator FRASER.—That is no reason why she should allow foreign countries to have undue privileges, and favour countries that do not reciprocate.

Senator PULSFORD.—As I have already said, I regret that the time at my disposal does not permit me to deal with interjections, or I should very gladly do so, and honorable senators would find that their interjections, instead of upsetting my argument, would support it. There is one matter to which I should like to direct the attention, especially of honorable senators who have strong feelings with regard to Asiatics and coloured races generally. I feel, that, although they express the opinions which they do, and desire the legislation for which they ask with regard to coloured races and Australia, they have no desire to create antagonism towards Great Britain. But I should like them all to consider whether there is not in this subject of preference possible grounds of disagreement within the Empire. Where the subject of preference as between white people and the coloured people of the Empire is considered I am quite certain that this question must arise. I am satisfied that in the Senate there are some honorable senators who would not as readily give a trade preference to the people of India as they would to the people of Canada. That is not a subject which I should like to see brought forward, and the discussion of such a matter could not possibly tend to strengthen the Empire. I desire to refer to the position of Australia in regard to our own commerce, and also in regard to the commerce of the United Kingdom, in order to show who are buying and consuming our goods, and whose goods we in Australia are consuming. As honorable senators know, the exports from Australia go very largely to the United Kingdom, in order to find a market, and I have taken the trouble to ascertain what proportion is re-exported to foreign countries. When I add to that proportion the quantity which foreign countries take direct from Australia, I ascertain the consumption of Australian goods by foreigners. Of course, the quantity which is re-exported from the United Kingdom I deduct from the quantity shipped from here to Great Britain, and, having done that, I find that in the year 1901 foreign countries consumed £17,000,000 worth of Australian merchandise, while Great Britain consumed 11·9 million pounds worth. Those figures must, I think, be almost startling to many people. They mean that foreign

countries at the present time are consuming one-half more of Australian products than are being consumed by Great Britain. I now refer to our importations of goods, and I find that a quantity of Australian importations from Great Britain are not of British manufacture, but include goods which have been sent to Great Britain from foreign countries for shipment to Australia. From the British returns I ascertain the quantity of goods sent from the United Kingdom to Australia which were foreign, and I deduct it from the imports from Great Britain, and add it to those which appear in our figures as imports from foreign countries. I thus ascertain how much we consume of British goods, and how much of foreign goods; and taking the same year, 1901, I find that the consumption of British goods was 22·4 million pounds worth, and of foreign 15·2 million pounds worth. That is truly a marvellous position. While foreign countries consume nearly half as much more of Australian goods than does the United Kingdom, Australia consumes 50 per cent. more of British goods than of foreign goods.

Senator Trenwith.—And the consumption of foreign goods will be more in proportion each year.

Senator PULSFORD.—If any one may grumble at the position, surely it is not the people of Great Britain, or the people of Australia. Senator Trenwith has just interjected that we shall consume more in proportion of foreign goods each year, and I have no doubt that will prove to be the case. But if we cannot find a market in Great Britain for our goods, what are we to do? Are we to burn our goods? Or are we to send them to markets where they can be sold? The truth is, that Australian trade is "on velvet." We have in the United Kingdom a huge free market for all our products, and, strange to say, so far as regards those products which the United Kingdom cannot wholly consume, the great protectionist countries of Europe become free-trade, and admit them. Could any position be more satisfactory to us? Should we not be foolish to urge on the Home Government any scheme likely to lessen the advantages which we now possess? I ask honorable senators to consider how small is the area of goods actually imported now from foreign countries, against which we could differentiate. We receive from foreign countries millions of pounds worth which the United Kingdom cannot possibly sell to us, because they are not produced there. Included in those goods are kerosene and tobacco, of which we import large quantities, wines, coffee, and certain raw materials which we need for our manufactures, special machinery and tools, and specialities of climate, of art, and of manufacture. These total a very large proportion of the goods imported into Australia, and when all are eliminated from the list of imports, there remains only a small proportion. Looking at the matter all round, so far as Australia is concerned, our great pastoral products have nothing to gain by an arrangement such as is proposed. And the gain to agricultural and dairying products would be one liable, at any time a drought arose, to come to an end, and any gain must be accompanied by an increase in the cost of living to every household in Australia. I should now like to say a few words with regard to the position of the United Kingdom. Of recent years, attempts have been made to show that Great Britain is receding from her foremost position in the world. But such statements are not supported by fact. The census of 1901 showed that in no previous years of her history had there been as great an increase in population in the United Kingdom, and that not for a long time had there been so little tendency to emigration. It is also clear that the wealth of Great Britain has increased enormously. People do not pay income tax on incomes they do not receive, and the returns show that the income of Great Britain has increased immensely. So far as concerns those who do not pay income tax, the consumption of articles of food and of luxury shows such an increase as to evidence a marvellous buying power on the part of the masses of the community.

Senator Styles.—Is not that the case all over the civilized world?

Senator PULSFORD.—It appears to me that the very success of British commerce has led people astray. Every year Great Britain is getting more and more goods—tens of millions of pounds worth of goods—for nothing, except mere interest receipts. Perhaps £100,000,000 worth of goods is poured every year into Great Britain for which she has to pay nothing, except interest receipts. They represent her investments. I think that all honorable senators can see that if she had to part with £100,000,000 worth of goods in exchange for £100,000,000 worth of imports she

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would be so much the poorer, that her position could not be as great as it is to-day. Let me give a simple illustration. Suppose that Mr. Smith and Mr. Jones are each employed at a salary of £250 a year and live in two houses, which adjoin, and which belong to Mr. Jones. If Mr. Smith has to pay an annual rent of £50 to Mr. Jones, eliminating the matter of rent, the former has £200 a year, while the latter has £300 a year. As the rental of £50 comes in every year from one house to the other it might be said that Mr. Smith is getting poorer, because all this money is going to Mr. Jones. With equal justice, it might be said that Great Britain is getting poorer because of all this wealth which is pouring into her. That is a homely explanation of the mistake which is being made by a great many persons in the old country. An incomplete grasp of statistics is misleading. What has Australia to offer to the world? Australia has nothing to offer but merchandise, while Great Britain can and does offer to the world merchandise in the first place, services of ships in the second place, and the use of capital in the third place. As the United Kingdom is making money out of the world under all those three headings, we ought to add the three together in order to find out her earnings compared with those of countries which come only under the one head of merchandise. If we do this we find that the earnings of Great Britain are immensely greater, and have increased far more than appear from a mere glance at her Customs returns. With regard to statements which are made by preferentialists at home as to the superior value of trade with the Colonies and with India, I have already indicated what that is largely due to. I have pointed out that foreign countries are taking, relatively with the United Kingdom, enormous quantities of Indian and colonial produce, but the foreign countries have to pay for these products, and they pay Great Britain for them either in money or in goods, and she is able thereby to send to the Colonies the large quantity of goods which she does. That is the secret of it. We see some goods coming here from Great Britain. The reason why large quantities of goods can come to us from the old country is simply that foreign countries are taking an enormous quantity of our goods. which the United Kingdom cannot possibly consume, and in doing so they provide funds in London which pay for the goods we receive. I believe that there are persons in Australia, and I am not sure that there are not persons even in this Senate, who have the audacity to say that we free-traders are not as solicitous about the welfare and greatness of the United Kingdom as they are. But very little consideration will show the folly of all those statements. I believe I may claim to have done more, single-handed, to promote the commerce of the United Kingdom than all the preferentialists in Australia put together. Nay, I shall go further than that. I shall say that any free-trader who, outside legislative circles, has by his vote done what he could to promote the cause of free-trade has done more than all the protectionist preferentialists of Australia have done in the past, and are doing at the present time, to promote the prosperity of Great Britain. I should like to draw attention to some views I expressed as far back as the eighties, and recent utterances, showing how I have worked for, and done my best to promote, the interests of the United Kingdom. I propose to read a letter which I received in 1887 from the Right Hon. W. B. Dalley, of New South Wales, the first Australian gentleman upon whom the honor of a seat on the Privy Council was conferred. I had written to the right honorable and learned gentleman pressing him to deliver a public address on the commercial relations of Australia and the mother country. Unfortunately, owing to illness, he was not able to do so; but he wrote me the following letter, which is well worthy of a place in the records of the Senate—

> You have suggested in your note (so admirably conceived and so felicitously expressed) the precise grounds which I should have thought would have commended the cause to all lovers of the Empire. All who are desirous of discussing a great subject, not as one to be treated in warehouses and exchanges, but in the Parliamentary Chambers, cannot fail to perceive how intimately are blended the preservation of the freedom of our commerce, and the perpetuation of our Empire. In the absence of this great thought, and in the forgetfulness of the duties which it involves, there is much to be said on the side of those to whom you are opposed, and against whom you are fighting with singular gallantry. But nothing can be said to qualify the statement that a fettered trade is a defective loyalty to the Empire, which has based its policy upon absolute freedom, and which is rebuked, and to some extent, enfeebled before the world when that policy is practically protested against by any portion of the Empire.

I ask honorable senators to bear in mind the expression that "a fettered trade is a defective loyalty." I felt, for many years,

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that the fettered trade of some of the Colonies was a defective loyalty, and I did my best continually to point that out. Mr. Dalley was well warranted in referring to foreign countries, and saying that Great Britain was weakened by what took place. In 1888 Mr. Carnegie, who in that year published his book *Triumphant Democracy*, took occasion to refer, in severe and caustic terms, to the behaviour of the British Colonies in treating the motherland as they did. Here is one sentence from his work:—

She (Great Britain) permits them (the colonies) to foster what they please, to trade freely with all nations upon any terms the colonies fix for her own trade with them. True, it must be said her offspring are not very grateful children; they turn against their mother with surprising harshness.

He proceeds to make some exceedingly strong comments on the action of Canada. In the same year, 1888, which was Australia's centennial year, a Congress of Chambers of Commerce was held in this city of Melbourne, at which I was present. I there read a paper on "Commercial Relations with the Mother Country"; and I dwelt on the value to Australia of free markets, and of friendly commercial relations with the United Kingdom. Finally, I proposed three resolutions, one of which read as follows:—

That the friendly policy of the mother country to her colonies calls for a friendly response from them.

These resolutions were carried by the Congress. I may, in passing, quote one sentence from my address, which indicated, I think, the position of affairs, and the possibilities in the old country—

Pray be under no mistake. The old policy of restriction in England is not yet extinct, and it is prepared to go to any extremes to restrict imports into England.

I will pass over the intervening years up to the year 1900. Honorable senators will remember that in that year, when we were preparing to take our first Federal party elections, I issued as a service to free-trade a weekly newspaper called *Our Country*. In the very first issue of that journal appeared an article headed "Great Britain and Australia." From it I take this quotation:—

Australians have become so accustomed to legislating against the country which has given them the freedom they enjoy, and under whose flag they have found safety, that they have lost sight of the anomaly of their conduct.

I followed that up in the next issue by a cartoon, which was drawn under my direction, representing an Australian soldier returning from South Africa, and expressing his surprise that, after being there fighting for the flag, he should find in Australia fighting going on against the flag. I want to know, as against a record like this, what any of the preferentialists of Australia can show? The resolutions which I have moved I commend to the careful consideration of the Senate, and I ask honorable senators to join with me in declaring that our love for, and our faith in, those sea-girt isles which we call the motherland, are associated with the belief that the foundations of her Empire rest on the eternal principles of freedom, and that, so long as she is true to those principles, she can face the future with a stout heart and a smiling face. If here, in this remote part of the Empire, we can do anything to strengthen her resolve to hold high the flag of freedom, we may well be content, and fully satisfied that we have done what was best, not only for humanity in general, but for the home of our race, and that galaxy of countries which, taken together, constitute the British Empire.

Senator PEARCE.—I beg to second the motion.

Debate (on motion by Senator DRAKE) adjourned.

APPROPRIATION BILL.

SECOND READING.

Debate resumed from 9th December (*vide* page 8199), on motion by Senator Sir JOSIAH SYMON—

That the Bill be now read a second time.

Senator HIGGS (Queensland).—When the debate was adjourned on Friday, I was referring to the fact that the movement for the subsidy in connexion with the service to the New Hebrides was a movement mainly on the part of some interested persons in Sydney. It might be convenient if I here quoted a clause from the contract with reference to the provision for termination to show that honorable senators may, if they so desire, refuse this proposed subsidy at any time. At page 11 of the return supplied on the motion of Senator Stewart on the 22nd July, 1902, this proviso for the termination of the contract, in the event of the subsidy not being available, will be found in the agreement of 22nd September, 1900—

Notwithstanding anything hereinbefore mentioned the Governor may terminate the contract

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by notice in writing under his hand to be served as aforesaid in the event of Parliament declining or failing to vote the necessary moneys for the service, and the Contractors shall have no right of action for breach of contract or otherwise in respect of the premises. Provided that if such notice shall be given during the currency of one of the trips hereinbefore mentioned, such notice shall not take effect until the completion of such trip; and, notwithstanding anything hereinbefore contained, the contractors shall only be entitled to be paid for the service up to the time such notice shall take effect.

The inclusion of such a clause in the contract indicates, to my mind, that the New South Wales Government on 28th September, 1900, had some doubts as to whether they could get Parliament to continue to vote this subsidy to Burns, Philp, and Company.

Senator DRAKE.—That was just before Federation, and they might have desired to leave it open.

Senator HIGGS.—Quite so; they might have wished to leave it open to the Federal Parliament. But honorable senators will agree that they may, with a perfectly free and open mind, decline to vote this subsidy, because there is no obligation on the Commonwealth Parliament to continue it. I was saying that this was a movement on the part of interested persons in Sydney. We can have no legitimate grounds for objection to the action of those interested persons. They are entitled to do their level best to get the subsidy if they can, and if the members of the Federal Parliament are foolish enough to vote it. But it is the duty of the members of this Parliament, and especially of the members of the Senate, since the Senate is the guardian of the interests of the States as a whole, to see that Commonwealth money shall not be wasted or spent in an irregular or unjustifiable manner. The Sydney people are entitled to get all they can.

Senator GIVENS.—Hear, hear, and no more.

Senator HIGGS.—But as a representative of Queensland, I ask honorable senators to look at the map, and they will find that the port of Brisbane is far nearer to the New Hebrides than is the port of Sydney.

Senator STEWART.—What about Rockhampton?

Senator HIGGS.—Rockhampton may be nearer than is Brisbane, but I am not aware of that. A glance at the map will show that Brisbane is hundreds of miles nearer to the New Hebrides than is Sydney. If what we require is a speedy mail service, one would think that the Government would select the point of departure nearest to the New Hebrides. But no, they have selected Sydney. Sydney is the starting point for all these services to the New Hebrides, to New Guinea, and to the Solomon Islands. I may mention, incidentally, that the Brisbane Chamber of Commerce has asked that tenders should be called for these services. Clause 5 of the memorandum placed before the Senate is to this effect—

To establish a service connecting Thursday Island or Cooktown with all the ports in British New Guinea—The inconvenience of the present uncertain means of communication has been long and keenly felt, and it is known to those intimate with New Guinea that a regular and frequent communication will do much to promote the development of the possession. This service employs one steamer.

I direct the attention of honorable senators to the words "a regular and frequent communication." This, it is expected, will be a result of the payment of one portion of this £12,000 to Messrs. Burns, Philp, and Company. But one steamer cannot give the service at present given without a subsidy. Messrs. Burns, Philp, and Company intend to run the *Parua* for the first six months, and at the end of that time they may build a new steamer to take her place. The *Parua* is a steamer of 106 tons, or 50 tons smaller than the boat run by Messrs. Clunn and Sons for something like two years without a subsidy. The announced intention of the Government in paying the subsidy is to open up the land at Hall's Sound, in New Guinea. Senator Smith will be able to bear me out in the statement that Hall's Sound is a place which is unsettled, excepting for a few black labour plantations for the production of coffee, gutta percha, and cocoanut.

Senator STANIFORTH SMITH.—There is one abandoned plantation there, that is all.

Senator HIGGS.—I was giving a much more inviting picture of the settlement.

Senator STANIFORTH SMITH.—There is magnificent land there to be opened up.

Senator HIGGS.—There is.

Senator WALKER. — Does the honorable senator know why that plantation was abandoned?

Senator HIGGS.—I am not in a position to say. Perhaps Senator Walker, as a

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director of Messrs. Burns, Philp, and Company, will be able to tell us something about the matter.

Senator GIVENS.—We shall challenge the honorable senator's vote if he is a director.

Senator HIGGS.—Senator Smith gives a dismal account of the place when he says there is only one abandoned plantation there. I believe that a quantity of land at the place has been taken up by different companies, though it has not been cultivated. They hold it for purposes of future cultivation or speculation.

Senator STANIFORTH SMITH.—Only 5,000 acres.

Senator HIGGS.—It appears that five-sixths of the passengers who go to New Guinea desire to go direct to Samarai from Cooktown. They prefer to make that journey, a distance of some 426 miles, rather than go round by Thursday Island, *viâ* Port Moresby, to Samarai, a distance of 957 miles, and a voyage occupying three weeks to perform. The voyage from Cooktown across to Samarai, the route most patronized, occupies but five days. Our business-like Government, with its keen Postmaster-General, in order to establish a speedy mail service to these islands, selects a route which it will take three weeks to traverse, when he might have selected the route from Cooktown to Samarai, which could be traversed in five days. There would be a great deal of delay caused by the adoption of the proposal of Messrs. Burns, Philp, and Company, because they desire to call at a number of minor stations, in order, no doubt, to supply their depôts with the goods which they sell as general merchants. One of the objectionable features of this proposal is the effect it will have on other companies. Honorable senators will be aware of the practice amongst business people, including shipping companies, of trying to run competing firms off the ground, and if Messrs. Burns, Philp, and Company, by receiving a subsidy for this service, are enabled to quote lower freights for goods and passengers, they may be able to run Messrs. Clunn and Sons off the route. I ask is that fair? Senator Drake, on Friday last, questioned the land settlement proposal of the agreement with Messrs. Burns, Philp, and Company, and indicated that the Government were not taking any responsibility in that matter. It appears to me that that is one of the worst features of the proposed scheme. If honorable senators will look at the Appropriation Bill they will see a sum of £6,000 set down for the present New Hebrides service, and another sum of £6,000, making the total proposed subsidy £12,000. When this agreement was entered into on 12th March, 1902, it contained this clause:—

> That whereas the contractors are possessed of certain lands and properties in the New Hebrides Islands, taken over by them from the Australasian New Hebrides Company, and more particularly described in the Second Schedule hereto the Contractors agree and declare that they, their successors and assignees will stand possessed of all such lands and properties in trust, to lease them to such persons, at rentals of 1s. per annum for every fifty acres or part thereof, and on such terms and conditions, as the Minister of External Affairs of the Commonwealth may from time to time approve, and at the expiration or termination of this Agreement, or when required by the Minister, execute such conveyance, assignment or assurance of their right, title, and interest in and to such lands and properties to such person or persons, and in such manner as the Minister may direct.

That, I think, establishes the responsibility of the Commonwealth Government.

Senator DRAKE.—I do not see that it makes the Government responsible.

Senator HIGGS.—Senator Drake told us, as reported in *Hansard* of the 17th June, 1902, page 13,708, that in effect this subsidy was to enable Messrs. Burns, Philp, and Company to develop their land.

Senator DRAKE.—I said that this could not be defined as a mail service.

Senator HIGGS.—The honorable senator also said that it was to develop their land.

Senator DRAKE.—I said there was to be a mutual advantage.

Senator HIGGS.—I am anxious to know what the Government are doing in the matter?

Senator DRAKE.—Will the honorable senator quote what I did say?

Senator HIGGS.—The remarks were made during the first long session, but they were to the effect that I have indicated. From June, 1902, to December, 1904, is a period of over two years, and, surely, we ought to know from the Commonwealth Government what settlement has taken place. I have asked questions in the Senate, but the Attorney-General has, I suppose, been informed by the officials in the Department that the information cannot be given. At any rate, such obstacles have been placed in the way that the Attorney-General has intimated that if I want the information I ought to table a motion

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for a return. On the 4th March, 1902, Messrs. Burns, Philp, and Company wrote from Sydney to the Secretary of External Affairs as follows:—

We beg to inform you that our advertisements in the daily press, offering free land grants to desirable settlers, have brought us several applications from desirable persons having the necessary capital to develop the lands, but we are unable as yet to give them any definite information as to the terms of settlement or the size of the allotments they will be permitted to select.

Experience has taught us that if matters of this kind are once allowed to grow cold there is always considerable difficulty in reviving them; we therefore beg to submit for your approval the following rough outline of the main conditions in our opinion most suitable for the scheme.

1. Land to be leased for 999 years at 1s. per 100 acres or part thereof per annum to British subjects only, conditional upon their expending £1 per acre in improvements within two years from taking up the land, lease only to be transferable with the approval of the Commonwealth Government.

2. Intending settlers to show to the satisfaction of the Government that they are possessed of £1 for every acre of land they take up. Size of allotments from 50 to 500 acres.

3. Persons having taken up land to be granted a free passage for themselves and their families.

We would like to have definite instructions from you as early as possible as to whether these conditions would be approved of, or what alternative conditions you have decided upon. We do not wish these people to drift away from us, and if an early decision could be arrived at we might possibly be able to send away the first batch by the *Mambare*, leaving Sydney 1st April. We favour the plan of inducing them to form a British settlement on one island, where they could mutually assist one another.

An eminently suitable spot exists at South Santo, adjoining the French settlement at Belsiki. Particulars as to the Government's intentions *re* surveying and marking off allotments are also being asked for by applicants. .

Awaiting the favour of your reply.

It will be observed that the great anxiety of the company was that the Government should enter into this arrangement before the matter got cold; while the agitation was warm and ardent, the company thought it necessary to have the agreement signed. It will be noticed that intending settlers had to show to the satisfaction of the Federal Government that they were possessed of £1 for every acre of land taken up, and that the allotments were to be from 50 acres up to 500 acres. Are the Federal Government justified, in the present unsettled condition of the continent of Australia, in encouraging men who have from £50 to £500 to leave these shores? Evidently the Government thought it was their duty to do so, because on the 6th March, 1902, they sent the following letter to Messrs. Burns, Philp, and Company:—

I have the honour to acknowledge the receipt of your letter of the 4th inst., respecting the terms on which free land grants may be offered to desirable settlers in the New Hebrides.

In reply, I am directed by the Prime Minister to inform you that he has approved of the following conditions, viz.:—

(*a*) Leases to be to British subjects only.

(*b*) Area of lease not to be less than 50, nor more than 500 acres, with the right to the family to take up adjoining block, not exceeding 100 acres, if available, for each male child over sixteen years of age.

(*c*) Term of lease to be for three years, at a rental of 1s. per 50 acres, with a right of extension for ninety-six (96) years, at a rental of 1d. per acre per annum, if at the end of the third year the settler has expended the sum of 10s. per acre on the land.

(*d*) Transfer.—Settlers to have the right to assign or sublet their leasehold, or any part thereof, to any British subject on the approval of the lessors. Leases and assignments of sub-leases to be under the condition that the holders will not transmit the land, or any of it, by will, except to British subjects approved by the lessors or their representatives.

Then follows a clause in reference to transfer, and the last item is—

Settlers to be conveyed, with their wives and families, to the islands free in the vessels of your company.

Senator WALKER.—Very liberal.

Senator HIGGS.—I suppose it is liberal. As to the wisdom of taxing settlers in Queensland, to enable other settlers to go to New Hebrides, that is a question I shall deal with later on.

Senator WALKER.—I suppose the idea is to prevent French settlers monopolizing the country.

Senator HIGGS.—I desire to know what has become of the first batch of settlers who went to the New Hebrides. Is it a fact that certain of them were diverted on their way to other occupations, and that some, who arrived at the New Hebrides, thought the prospect so vile, that they left? On those points I have been unable to get any information. I was led to ask the question by reading in the *Argus* of 30th July, 1902, an article by the Rev. A. Stewart, M.A., of Essendon, on "Australians in the New Hebrides." That gentleman went to the New Hebrides, and wrote a most interesting account of his visit. In the course of that account he said:—

The s.s. *Mambare*, of the Pacific Fleet, owned by Messrs. Burns, Philp and Co., sailed from

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Sydney for the New Hebrides on 31st May, and returned to that port at the end of last week. Both outward and inward she called at Lord Howe Island and Norfolk Island. After three days at Thio and two and a half at sea the *Mambare* touched the most southerly of the New Hebrides group, Anetiyum. Here the party of settlers who had come out as the first instalment of the Federal Government scheme of colonization, to counteract French influence in the Group, began their eager study of the islands, and their commercial value. Twenty had been selected from hundreds of applicants. Seventeen actually started from Sydney; three were diverted to other employment by the way; three returned dissatisfied with their explorations and the outlook; the remaining eleven are now settled on the southern coast of Santo, which is the largest and most northerly of all the islands.

I am anxious to know from the Federal Government, who have undertaken this scheme of colonization, what has become of those eleven settlers. The Attorney-General, as I have already mentioned, said that this would be most fittingly the subject of a return to be called for on a motion. In the records of the Federal Parliament and Government, there must surely be some information as to how their grand scheme of colonization in the Pacific is getting along. I venture to think that the scheme is a failure, and that that failure is another reason why we should not pay this additional sum of £6,000 to Messrs. Burns, Philp, and Company. What strikes me about this proposal is its paradoxical character. We have passed legislation in the hopes of some day making Australia a White Australia.

Senator DOBSON.—Whiter than it is?

Senator HIGGS.—I mean to say that we desire to keep Australia for what we understand to be the white races—descendants of the British and European races, such as the German, French, and others. We have passed the Pacific Island Labourers Act, under which no Pacific islanders can be brought into Australia after the 31st March, 1904, and the Federal Government may deport any Pacific islander found in Australia after 1906. I have never heard any one, excepting, perhaps, a few senators and a few members of the House of Representatives, who hold views favoured by Senators Pulsford and Dobson, express any disagreement with our endeavours to attain a White Australia. All others have said that this is a very good ideal. Both the Pacific Island Labourers Act, and the Immigration Restriction Act were passed by large majorities. Does the leader of the Senate not see a paradox in taxing the white settlers of Australia—whom we expect to employ white labour—to provide Messrs. Burns, Philp, and Company with a subsidy of £12,000, in order that other white settlers may be taken to the New Hebrides, where they will have to employ black labour?

Senator GRAY.—Then the honorable senator is altogether against settlement in the Pacific Islands?

Senator HIGGS.—No; but if Australia is not good enough for Australian settlers, let them go to the New Hebrides at their own expense. The proposal is that we should send away from Australia some of our most thrifty and energetic settlers, men who have worked hard, and acquired from £50 to £500. As Senator Gray knows, in Queensland millions of acres of land are crying out for settlers of that description. In order to prove that intending Australian settlers would have to employ coloured labour, I propose to quote a letter which was sent by Messrs. Burns, Philp, and Company to the Secretary for External Affairs on the 11th March, 1902. It was written on the day before the contract was signed, and reads as follows:—

Another important question, and vitally affecting the success of the venture, is that of the restrictions upon the obtaining of coloured labour. For the clearing and planting of this land each settler will require from half-a-dozen up to twenty natives. Under the present system, it will be impossible for them to obtain them except by illegal recruiting. We would suggest that a similar custom to that obtaining in British New Guinea be authorized, namely, that every settler be permitted to engage his own labour from adjoining islands, provided he registers them on the first opportunity afterwards before the captain of a British man-of-war, or, when appointed, the British Resident. The mission influence in the islands is sufficiently wide-reaching to insure any abuses being promptly reported to the authorities, and unless something is done to enable the settlers to obtain the necessary labour, it is hard to see how they are to make any progress with the building up of their plantations.

I object to the taxation of any settler in Queensland, or, indeed, in any other part of the Commonwealth, in order to enable some other settler, who thinks he can do better in the New Hebrides to go down there, and employ black labour. The next proposal, which must inevitably follow such a course—indeed, it has already been made—is that the products of the settlers in the New Hebrides and other places, shall be admitted to the Commonwealth at a lower rate of duty than the products of other parts of the world.

Senator GIVENS.—It has been proposed to admit them duty free.

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Senator HIGGS. — Yes. I cannot see any justice or equity in a proposal to tax white men in Australia to enable the white man in the New Hebrides to produce with black labour.

The PRESIDENT.—The honorable senator should not discuss that point, as it does not arise out of the vote to which he is referring.

Senator HIGGS.—I bow to your ruling, sir. It might be convenient here to refer to a statement which is freely made, namely, that certain French companies receive large subsidies for running their vessels. I have not been able to find out whether it is absolutely true or not. Mr. W. E. Johnson, a member of the House of Representatives, made certain statements to the effect that subsidies were paid, and a letter has been sent to *Le Courier Australien* by M. Ballande, a member of a French company, to which he referred, and who states that, so far as the statements concerning his firm are concerned, they are quite inaccurate, as it does not receive a cent of subsidy.

Senator DRAKE. — What company does the honorable senator refer to?

Senator HIGGS.—Mr. Johnson said that certain French companies received subsidies for running the boats and also for colonizing the New Hebrides, and he mentioned the firm of Ballande and Company. A member of the firm says he is somewhat astonished that such a statement should be made in the Parliament, of what he describes, rightly, I think, as a great country, without proof being advanced. It has also been stated that Messrs. Burns, Philp, and Company have lost £16,000 during the year by this service, for which we pay now £6,000. While such a statement may be very useful in inducing members of Parliament to vote a subsidy, it is not a very great tribute to the business-like capacity of the members of the firm. I do not suppose for a moment that keen business men like Colonel Burns and his colleagues are likely to indulge in such an enterprise as would lead to the loss of so many thousands of pounds. The Australian Joint Stock Company's Year Book gives this information about the firm at page 104:—

Burns, Philp, and Co. Limited (Merchants and Shipowners).—Registered in New South Wales in 1883. Head office, 10 Bridge-street, Sydney. Directors, James Burns (managing director), Adam Forsyth, James Forsyth, M.L.A.; Senator J. T. Walker, Sir Malcolm D. McEacharn, D. Patience. Secretary, R. J. Nosworthy. Branch inspector, P. G. Black. Branch offices, Bowen, Brisbane, Cairns, Charters Towers, Cooktown, Normanton, Thursday Island, Townsville, Fremantle, Geraldton, Port Moresby, Samarai, Via, and Nukualofa, London office, 61-2 Gracechurch-street, E.C. Capital authorized, £500,000. The capital subscribed is £350,000 in shares of £1 each; and the capital paid up is £275,000, representing £1 per share on 250,000 shares, and 5s. per share on 100,000 shares. There are about 100 shareholders. Reserve fund, £225,000, and undivided balance, £9,299. Accounts are made up yearly to 31st March, and submitted in May. The dividends paid from the foundation of the company have been for 1883-4-5, 10 per cent.; for 1886, 8 per cent.; for 1887, 12 per cent.; for 1888-9-90-1-2-3, 10 per cent.; for 1894-5, 7½ per cent.; and for 1896 and thence to March, 1902, 8 per cent. The share register is kept at the Sydney office, and no transfer-fee is charged. Voting powers of shareholders—one vote for every 100 shares. The report submitted on 15th May, 1902, stated that the gross profit from all sources was £195,263, less salaries and expenses, deprecation, bad debts, and taxation, £138,964; leaving a net balance of £56,299.

From another publication I find that, so far from losing money, the company is doing very well.

Senator GRAY.—As a whole.

Senator Sir JOSIAH SYMON.—It may be losing money on one side and making it on the other.

Senator HIGGS.—I do not adopt that view, because the following figures have been extracted from their balance-sheet:—

Year.	Profits.	Dividends.	
1897 ...	£36,187 ...	8 per cent. ...	£21,400
1898 ...	£48,289 ...	8 per cent. ...	£21,400
1899 ...	£42,212 ...	8 per cent. ...	£21,400
1900 ...	£53,072 ...	8 per cent. ...	£22,000
1900 ...	£46,410 ...	8 per cent. ...	£22,000
1902 ...	£55,219 ...	8 per cent. ...	£22,000
1903 ...	£52,629 ...	8 per cent. ...	£22,000

Surely honorable senators will not believe the unsupported testimony of those who support this proposal when they say that Messrs. Burns, Philp, and Company have lost £16,000 during the year.

Senator GRAY.—I should believe that at once if Colonel Burns said so.

Senator HIGGS.—I am not prepared to accept the statement without proof. I do not believe that Colonel Burns would indulge in any enterprise which is calculated to bring about a loss of that sum. Is Senator Gray prepared to say that the firm lost £16,000 in the Pacific Island mail service?

Senator GRAY.—I know nothing at all about it. I am only going by the honorable senator's statements.

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Senator HIGGS.—I understood that the honorable senator did know something about the matter; I should like to have further proof. If the service means a loss of anything like £16,000 a year to the firm, is not that an additional reason why the Commonwealth should cease to pay away money for such a service? I think it is. I am very much opposed, as I have frequently said, to taking Australian settlers down to the New Hebrides. I object very strongly to the Federal Government taking any part in any scheme which is likely to mislead settlers or is calculated at a future date to land the Federal Government in some financial responsibility. Any settler who leaves Australia to take part in this colonizing scheme would certainly be influenced to do so by the knowledge that the Federal Government had a clause in their mail contract providing that Messrs. Burns, Philp, and Company should do certain things in regard to the land. We are informed by Senator Walker that there are many claimants to the land in the group.

Senator PEARCE. — More claims than areas of land.

Senator HIGGS.—So the honorable senator told us.

Senator WALKER. — That is why they want a Land Commission.

Senator HIGGS.—For a considerable time the settlers in the New Hebrides and New Caledonia have been agitating for a land commission, whose duties would be similar to those of the Land Commission which sat in Fiji to determine the rights of claimants to land. I have here a report of the final act of the Anglo-German Commission on the affairs of Samoa.

The PRESIDENT.—Has that anything to do with the question of the mail subsidy to the New Hebrides?

Senator HIGGS.—I am arguing, sir, that the Federal Government has committed itself to assist Messrs. Burns, Philp, and Company in gaining titles to their land, and that in doing such a thing it may be disadvantaging other British settlers in the group, who have claims for land, but who, when they come before the Land Commission, will not have the support of its influence.

The PRESIDENT.—What has the Land Commission which sat in Samoa to do with the affairs of the New Hebrides?

Senator HIGGS.—If I am able to show that the Land Commission on Samoa were instructed to do certain things——

The PRESIDENT.—I do not think that has anything to do with the question.

Senator HIGGS.—The point is that the British Government, who have appointed a Resident in the New Hebrides, and who will agree to the appointment of a new Land Commission, will probably give that Commission the same instructions as they gave for dealing with other lands in Fiji. Part of the instructions were—

> The Land Commission may, at its discretion, through the local governing district in which the land is situated, appoint a native commission to determine the native grantors right of ownership and sale, and the result of that examination, together with all other facts pertinent to the question of validity of title, shall be laid before the Commission to be by them reported to the Court.

I am anxious to show that we should cease at once to have anything to do with this scheme of Burns, Philp, and Company to transfer titles to the citizens of the New Hebrides. The Commonwealth Government will be committing itself irrevocably, and may finally have to do as the British Government did—pay a considerable amount in compensation. In adopting this agreement, which has now been in force for two or three years, and which I consider should be put an end to, we are taking up an attitude which is totally opposed to the attitude which the Commonwealth Parliament has outlined with respect to British New Guinea. We have declared that the lands of the Possession shall not be sold, but may be leased at a proper rental. The same principle has been adopted in the British Fijis. The British Government cannot get a piece of land in Fiji without renting it from the natives. They have recognised the rights of the natives. But we are proposing to help Messrs. Burns, Philp, and Company to take away from the natives their land for all time. That is contrary to the principle laid down by the Federal Parliament, and is opposed to the wishes of the people of the Commonwealth. I will now come to the question of whether we should interfere with the New Hebridean islands. Honorable senators will have noticed that the Government said, in reply to Senator Smith, that they would cable to the Imperial authorities the fact that information was at hand that certain people in the New Hebrides were applying for the annexation of the islands by France.

Senator STANIFORTH SMITH.—That was brought up by the member for Réunion in the Chamber of Deputies.

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Senator HIGGS.—This movement for annexation by France is not a new one. Honorable senators may be surprised to hear that in 1889——

The PRESIDENT.—Has the annexation of the New Hebrides by France anything to do with the payment of £12,000 or the non-payment of it?

Senator HIGGS.—I argue that this subsidy cannot be justified as a mail subsidy. The Vice-President of the Executive Council admits that. He contends that it is not really a mail subsidy, but a subsidy for the encouragement of commerce, and for patriotic purposes with a view to our getting hold of the New Hebrides. I want to show that it is the desire of a number of the British settlers to be left alone, and that they do not wish to be annexed by the Commonwealth of Australia.

Senator WALKER.—British subjects?

Senator HIGGS.—Yes, British subjects. My objection to the whole proposal is, in the first place, that it is a breach of the Constitution to spend the £12,000 in such a manner. The Constitution says that—

> **The Parliament shall have power to pass laws for the peace, order, and good government of the Commonwealth.**

In regard to various matters, amongst them bounties on trade and commerce — commerce, of course, including navigation and shipping. Why are not the Government fair? I claim that it is a breach of the Constitution to give this money to one firm. If a subsidy is to be granted, why should it not be open to every one in the Commonwealth?

The PRESIDENT. — The honorable senator has already elaborated that point.

Senator HIGGS.—I thought that your view was, sir, that this was a mail subsidy pure and simple.

The PRESIDENT. — The honorable senator was proceeding to argue as to the annexation of the New Hebrides by France, and I cannot see that that has anything to do with the payment of £12,000 for a mail service.

Senator HIGGS.—Both the Vice-President of the Executive Council and the Attorney-General, who are amused at such an argument being put forward, have themselves argued strongly that this is not a mail subsidy at all, but that the money is to be paid with a view to get hold of the New Hebrides, and, finally, to squeeze out France. Senator Smith made the same admission in a motion which is submitted some time ago. I am proceeding to show that the payment of £12,000 for such a purpose is based upon a fallacy, and that the people of the New Hebrides do not wish to be annexed by the Commonwealth.

Senator WALKER.—They wish to be annexed by Great Britain.

Senator HIGGS.—In 1889 they wanted to be annexed by France.

The PRESIDENT.—I do not think that the honorable senator ought to go into the history of the New Hebrides.

Senator HIGGS.—It is unfortunate that at the back of this mail service proposal there is an ulterior motive—to get hold of the lands of the New Hebrides. The whole of Australia is not large enough for the Government and Senator Smith.

Senator Sir JOSIAH SYMON.—There is nothing about that in the Bill.

Senator HIGGS.—It is a mistake for us, under cover of a vote of £12,000 for a mail subsidy, to endeavour to get hold of the lands of the New Hebrides. The idea seems to be that Australia is not large enough for our present settlers—that we have settled all our lands in Queensland and the other States, and that we need to send men down to the New Hebrides, and to give them free passages, to induce them to settle there. In order to give them free passages, we are to pay to Burns, Philp, and Company £12,000 a year. We ought to let these people alone. If trade with the islands comes to us naturally, let it come. It may possibly happen in time that the New Hebrides and New Caledonia will become Australian. But I do not think that that will be so for many hundreds of years. The French have been down in New Caledonia ever since 24th September, 1853, when the place was annexed under instructions from Napoleon III. Having been there for fifty years, they have had the same experience as Australia has had. Australia was first a convict settlement.

Senator Sir JOSIAH SYMON.—Not South Australia.

The PRESIDENT.—Does the honorable senator think that a statement like that has anything to do with the vote of £12,000 for a mail subsidy?

Senator HIGGS.—Perhaps I have been a little too discursive, though I do not think so. But I will bow to your ruling and come to another point. I think that the Government are to be condemned—perhaps not this Government so much as other Governments who have been longer in

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power. The Barton and Deakin Administrations had office successively up to the commencement of this year. There was a great deal of time in which to get information. But there is no more information to be gained with regard to this mail subsidy now than there was when Senator Drake told us two years ago that he did not expect much opposition to the proposal, and had not got all the details at hand. Knowing that this proposal was to be made, the Government ought to have had statistical records available, so as to give information to Parliament. But it is impossible to get it. When one asks for information he is told to move for a return, which will probably be forthcoming some time in the following year. I notice that the Prime Minister has said that the Government only need £3,000 for this extra subsidy this year. The Government do their business in such a loose and haphazard way that they place upon the Estimates a sum of £12,000 when it appears that they require only £9,000. Six months of the present financial year having elapsed, if Parliament is unwise enough to grant this subsidy the Government will use only £3,000 of the extra amount. That is not a business-like way to proceed. In the first place the proposal is a travesty, so far as a mail service goes; and if the Senate intends to vote the money they should grant only one-half of the extra amount asked for by the Government. In other words, the sum ought to be reduced by £3,000. I can see that some honorable senators are carried away by their ideas of patriotism, and their exaggerated notions of Empire. Consequently, in all probability this subsidy will be voted. But I shall not rest content until the Commonwealth Parliament declines to vote the money any longer, because I regard it in the first place as a breach of the Constitution, and in the second place as a great waste of money.

Senator GIVENS.—This vote will enable Burns, Philp, and Company to break down all opposition.

Senator HIGGS.—I propose to refer to that matter. Senator Gray said the other day that there was no other firm who could do this work. The Australian United Steam Navigation Company carried on a service for years with the *Birksgate* between Fiji and Sydney. They had two small steamers connected with their boats at Anetiyum.

Senator WALKER.—Who were the agents?

Senator HIGGS.—The agents may have been Burns, Philp, and Company. That firm is known in Queensland as "the octopus of the North." They are agents, not only for the Australasian Steam Navigation Company, but for forty other different companies.

Senator WALKER.—They are great scoundrels evidently!

Senator HIGGS.—That is the honorable senator's expression. If Senator Walker, as a director of Messrs. Burns, Philp, and Company, says that they are great scoundrels, I cannot object.

Senator WALKER.—In the honorable senator's mind, apparently they are. The honorable senator's reference as to them reminds one of the reference to "King Charles' head."

Senator HIGGS.—I do not for a moment say, or think, that they are. The contention of those who oppose this subsidy is that if the Government were to call tenders they would find numbers of people prepared to carry out these mail services. They could be split up, and we might have vessels running from Cooktown to New Guinea, and from Rockhampton, Brisbane, or Sydney to the New Hebrides. Senator Walker objects to my calling this firm "The octopus of the North."

Senator WALKER.—Not at all. That is only in keeping with the honorable senator's general remarks on the subject.

Senator HIGGS.—The fact is that this firm is strong enough to squeeze out the small men without any assistance from this Parliament. If we give Messrs. Burns, Philp, and Company an extra £12,000 a year, it will probably mean that they will run off the small people who have not sufficient influence to secure any subsidy from this Parliament. Is that fair? I am aware that Senator Walker has high ideals of equity, and I ask him whether that is fair?

Senator Sir JOSIAH SYMON.—The honorable senator ought not to say that these subsidies are secured from Parliament by influence. I am sure the honorable senator does not mean that.

Senator HIGGS.—I withdraw that suggestion, but this firm is so large, has so many agencies, and is so overpowering in its majesty, so to speak, that some honorable senators do not appear to think that there are any other ship-owners in the Commonwealth. I am thinking of the smaller people, such as Messrs. Kerr Brothers,

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who have sent a letter to the Prime Minister objecting to the granting of this subsidy unless tenders are called. I desire to know from Senator Drake, the Vice-President of the Executive Council, and an ex-Postmaster-General, whether the contract which was signed in 1902 was carried out by Messrs. Burns, Philp, and Company? In that contract it is stated that the *Ysabel* is the steamer to be employed in the service. I wish to know from the ex-Postmaster-General what the *Ysabel* was doing at the Marshall Islands? I find that she made several trips to those islands although they are not mentioned in the contract signed in 1902. She was to call at the Gilbert and Ellice Islands, but there is no mention of any trip to the Marshall Islands, which is some 500 miles away from the Gilbert and Ellice Islands. Does it not seem extraordinary to honorable senators that we should be paying Burns, Philp, and Company a subsidy to conduct a mail service, and should allow them to send their boats 500 miles away from the Gilbert and Ellice Islands to the Marshall Islands? Were they looking for letters or for copra? I venture to think that the main business of these boats is trade with the islands. They carry goods for Messrs. Burns, Philp, and Company, who are not only shippers, but traders, to the islands and bring back the copra produced by the natives. I do not think that is fair to the general trader, who sends his goods down to the islands; nor do I think it is fair to the small ship-owners trading to the islands, that we should pay this subsidy. I hope, when the time comes, that the Senate will request the House of Representatives to eliminate the vote from the schedule.

Senator WALKER (New South Wales).—I am not quite clear whether, on the second reading of this Bill, one is permitted merely to allude to matters referred to in the Estimates. I am under the impression that when Senator Dobson was speaking the other day that was not insisted upon.

The PRESIDENT.—What happened was this—The Attorney-General, instead of replying on the various questions which had been raised on the first reading of the Bill, craved leave to do so on the second reading. Leave was given, but I said I could not prevent any other honorable senators also referring to those questions. Subject to that, the ordinary rule applies.

Senator WALKER.—I desire to say that I, for one, have implicit confidence in Sir George Turner, as Treasurer of the Commonwealth, and I refer with very great confidence to the economy displayed in the Estimates. I fear, however, with regard to the revenue that if something is not done very shortly, we shall find that the bonuses which we shall have to pay in connexion with the sugar industry will necessitate further taxation in another form.

Senator MATHESON.—We are not going in for any more bonuses.

Senator WALKER.—There must, it seems to me, be a great loss of revenue; for, as the growth of sugar by white labour proceeds, it is quite evident that our income must fall off. The nett revenue from excise will become less and less, and I therefore fear that it will become necessary to impose other taxation to take its place.

Senator GIVENS.—The excise will not become less and less. It remains the same whether sugar is grown by white or black labour. That shows how little the honorable senator knows about it.

Senator WALKER.—I shall leave that subject alone, but probably I know as much about it as does Senator Givens. With regard to naval defence, I understand that the £200,000 which we pay annually to the British Government does not appear in the Estimates, but it will probably not be wrong for me to make some allusion to the subject. I think we shall require to face the necessity for some provision for gunboats of our own to protect our harbors. I shall therefore not be surprised if next year we find the Defence Estimates considerably increased. At page 32 of the Estimates I find some allusion to the expenditure in connexion with the selection of the Capital Site. I see that for the year ending 30th June next the sum of £3,500 is put down. Some of that money has already been expended. We know that the New South Wales Government is at the present time considering the matter of granting a choice of various sites. Personally I am glad to see that they do not exclude Dalgety as one of those to be considered; but it is quite evident that there will be a difference of opinion between the Federal Parliament and the New South Wales State Parliament with regard to the area of land to be granted or purchased.

Senator MCGREGOR.—Is the honorable senator becoming tired of Melbourne?

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Senator WALKER. — I think we have every reason to thank the Victorian Government for the excellent accommodation they have provided for us here. I do not expect to be nearly as comfortable at Dalgety, if I should happen to be a member of the Federal Parliament when it sits there. At the same time, there is a good deal to be said in favour of conducting our business in our own premises. I feel some hesitation in making any reference to the matter to which Senator Higgs has referred. I think I shall say nothing about it, but if it should come to a division I shall abstain from voting, as I have the honour to be a director of Messrs. Burns, Philp, and Company, and I am not ashamed of it.

Senator STEWART.—A director of "The Octopus."

Senator WALKER.—Honorable senators may call the firm "The Octopus," but I daresay that Senator Stewart wishes he had some shares in "The Octopus." When Federation was inaugurated we were all in hope that the Federal Parliament would not require to sit so long as we have been doing. This year, we shall have sat between nine and ten months. I hope we shall in future be content with a session of four or five months in each year. I hope that next year the Government will take over the Quarantine, Meteorological and Statistical Departments, and I, for one, shall not object to the expense so involved. With regard to our mail arrangements with the mother country, I am one of those who exceedingly regret that we are no longer to have a regular weekly service. It seems to me that we have acted in a somewhat short-sighted manner. I have always disapproved of what is called the "White Ocean" policy. I fail to see why we could not have given a contract to companies employing coloured labour in the stoke-holds of their steamers. We are now apparently going to pay poundage to many companies who will be employing black labour in the same way. I shall not further detain the Senate except to say that I hope that at no distant date our very good friend Sir George Turner will be restored to good health. I have exceedingly regretted to hear of his present state of ill-health.

Senator GIVENS (Queensland).—I did not propose to address any remarks to the Senate on the second reading of this Bill, because I understood that the Government were exceedingly anxious to get it into Committee. When I find that a Government supporter does not fall in with that idea, I may be excused if I follow his example. Senator Walker has, I believe, been considered a great financial authority in the Commonwealth. The honorable senator travelled pretty well all over the Commonwealth to explain the financial effect of Federation to the people of the States, but he has made an awful financial blunder in the few remarks which he has just addressed to the Senate. He allowed it to be inferred that he is opposed to any further bonus being granted to the sugar industry. I venture to say that the honorable senator would not be game to mount a public platform in his own State and say so straight out.

Senator WALKER.—I am quite prepared to stick to my colours wherever I am. I have already advocated that there should be a graduated bonus, which should come to an end in time.

Senator GIVENS.—In a very long time. The honorable senator stated that as the quantity of sugar grown by white labour increased, the excise would decrease. How he arrived at that conclusion I am unable to say. It is an extraordinary statement coming from a financial authority. I interjected at the time that the excise on sugar would remain exactly the same whether it were grown by white or coloured labour.

Senator WALKER.—The excise is £3 per ton now, but there is a refund where it is grown by white labour.

Senator GIVENS.—It does not matter a straw whether sugar is produced by white or coloured labour, the excise remains the same. I point out that with the exception of the manufacture of spirits or narcotics the manufacture of sugar is the only industry in the Commonwealth on the products of which any excise whatever is levied. The bonus paid is merely a return of a portion of the excise to those who grow sugar by white labour. If the present tentative legislation is allowed to expire without amendment, what will happen?

Senator WALKER.—I am in favour of an amendment.

Senator GIVENS.—And so am I. But if the Act expires without an amendment, sugar, no matter how produced, will be protected to the extent of £6 per ton, and no excise will be collected. People will have the right to grow sugar by whatever labour they may find to be available, and the product will be pro-

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tected. I do not think that any honorable senator desires such a state of things; and I hope the seriousness of the position will receive the prompt acknowledgment of the Government when we meet next session. The present conditions are undoubtedly blocking all enterprise and expansion.

Senator MATHESON.—And expansion will be prevented if the Kalgoorlie to Port Augusta Railway Survey Bill is not passed.

Senator GIVENS.—I have heard a great deal about this Kalgoorlie to Port Augusta Railway Survey Bill.

The PRESIDENT.—The honorable senator must not discuss that measure.

Senator GIVENS.—I shall not discuss that Bill beyond saying that however my vote may go, it cannot be secured by any system of bargaining. I should now like to refer to the letting of the mail contract to Messrs. Burns, Philp and Company without any tenders being called for. If any subsidy is justifiable, it should be for a contract which will give the very best service; and, as a matter of fact, the service which Messrs. Burns, Philp and Company offer is not nearly the best which could be secured. I have in my possession a map issued by Messrs. Burns, Philp and Company, and from this it may be seen at a glance that if we desire a direct and fast mail service to any of the places named, some other port than that of Sydney must be made the point of departure and return; it is all a question of distance. In giving a subsidy for a mail service, the main reason which should animate us is to obtain a fast, direct and cheap service. What right have the Government to say that the mails shall be carried from the more distant port rather than from a port nearer to the proposed destination? We have here not only a subsidy given to a company without any tendering, but also a subsidy to Sydney at the expense of other ports nearer to the islands. The map, to which I have referred, shows that the direct route from Australia to the New Hebrides is undoubtedly from either Brisbane or Rockhampton, with both of which places there is direct express railway communication with all other parts of the Commonwealth. I cannot see how, in the face of these facts, the Government are justified in letting a contract under which the mails shall be conveyed from Sydney. We have been told that the reason is that certain reefs in the Pacific block the way. But a glance at the map shows nothing between Brisbane or Rockhampton and the islands, but a straight ocean track, over which any vessel may travel in safety. The Constitution provides that the Commonwealth shall not discriminate, or give one State a preference over another; and it is difficult to see how, in face of that provision, the present subsidy is justified. As to New Guinea, the service proposed is from Thursday Island, right round to Daru Island, Port Moresby, Samarai, and Woodlark Island. As the mail will have to go through Cooktown, this means 960 miles of route, whereas from Cooktown to Samarai is only, in round numbers, some 400 miles. We are thus proposing to subsidize a company to go a circuitous route, which will delay the arrival of the mails twice as long as is necessary. The people of New Guinea wanted as fast a service as possible; but the proposed arrangement will enable Burns, Philp, and Company to serve all their little trading stations at different points on the New Guinea coast and other islands. This subsidy will, further, enable Burns, Philp, and Company to freeze out all other traders, none of whom will be able to get a subsidy. There is only a certain amount of trade to be done, and, of course, Burns, Philp, and Company want as much of that trade as possible; and by means of this subsidy they will ultimately be given the advantage of the monopoly. If it were desirable to subsidize this service, why were not tenders called? Why is one firm singled out for specially favorable treatment? We have been told that there are no other firms competent to carry out the contract. That is not so; there are other firms competent, and even if there were not at the present moment, they could very soon make themselves competent by acquiring the necessary vessels. So far as New Guinea is concerned, Messrs. Clunn and Sons have a far better vessel than Burns, Philp, and Company ever had, and I do not see why these local traders should not have a fair show. The same remark may be made in regard to Messrs. Kerr Bros., of Sydney, who were prepared to tender for the New Hebrides service. It is contrary to all constitutional practice to give a contract of the kind without calling for tenders. There has been a great deal of log-rolling in connexion with this particular matter. The head of the firm, Mr. Burns, was actually in Parliament House log-rolling, and he issued an invitation indirectly to members of the Senate to meet him and discuss the matter.

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Senator Sir JOSIAH SYMON.—Was that invitation not chiefly to honorable senators opposite? I had no invitation.

Senator GIVENS.—I suppose there was no necessity to invite honorable senators on the Government side whose support was secure.

Senator STYLES.—I had no invitation.

Senator Sir JOSIAH SYMON.—It is a dangerous remark for Senator Givens to make.

Senator GIVENS.—It is not dangerous to say that Mr. Burns expressed a desire to meet honorable senators.

Senator Sir JOSIAH SYMON.—There was no harm in that desire.

Senator GIVENS.—Of course not. But when Messrs. Burns, Philp, and Company say that they exercise no political influence, I can say, from personal experience, that they do their best to crush out of existence any person who does not act with them politically.

Senator WALKER.—That is a mistake, surely!

Senator GIVENS.—I have given my personal word for the accuracy of the statement; and I can give honorable senators an instance in regard to myself.

Senator FRASER.—Then the firm must be "slated."

Senator GIVENS.—I feel in no way sore, but merely give the incident as an illustration of the methods pursued by the firm to accomplish their political ends. As a resident of Cairns for a very long time, I have a particular acquaintance with the methods pursued by the firm at that place. I know how they try to stall off opposition, and break down the small competing traders; but, to show how far the firm will carry their political spite, I may say that during the three years before I entered Parliament I was running a newspaper business in Cairns, and that, because I did not agree with the firm politically, they absolutely refused to allow the firms for which they acted as agents, and which had previously advertised with me, to continue their advertisements, although the firms lost a considerable amount as the result. For Senator Walker's information, I may say that Messrs. Burns, Philp, and Company were agents for the Australasian United Steam Navigation Company, and although that company had advertised in this newspaper for a long time, their advertisements were withdrawn directly I had political difference with the firm. I may safely say, however, that the Australasian United Steam Navigation Company, like the others, thereby lost a considerable amount of money. As I said, however, I do not feel sore on account of the paltry little bit of business that was thus lost to me. But let us look at the matter from the point of view of other traders. When a small mail service, which costs £70 or £80 a year is required, tenders are called for by the Government. I have in my mind a service in Queensland, which costs £75 a year, and for this tenders are called, and a deposit has to be lodged before the contract can be secured. Why should Messrs. Burns, Philp, and Company not be subject to similar conditions? I have here a letter from Messrs. Kerr Brothers, of Sydney, dated March, 1904, addressed to the Minister of External Affairs, as follows:—

> Sir,—In regard to your proposal to increase present shipping subsidy to the Pacific Islands, we would like to draw your attention to the injustice done many British people there, and actual harm done to British interests by subsidizing a trading company, and thereby building up a monopoly—one British subsidized firm trading against all other British traders there. We submit that granting an increased subsidy on present lines will in no way counteract French influence in the New Hebrides. If your Government wish to help British interests there, we would suggest that you allow produce from these islands into the Commonwealth free of duty.

Senator WALKER.—Does the honorable senator approve of that suggestion?

Senator GIVENS.—I do not; but that does not alter the fact that this letter has been received by the Government, and that there are views expressed later on which meet with my approval. The letter proceeds—

> That seems a more equitable way of meeting the case than collecting duty on produce (maize, bananas), and paying it away in the form of a subsidy to a trading company. Practically, all supplies, both British and French, are drawn from Australia; but when produce is sent to pay for these goods a duty is levied on it. With regard to the mail service, we would suggest that you call tenders for a direct mail service, monthly, if possible, to say, four principal ports in the New Hebrides, but restrict such service to carrying mails, passengers, and freight—a service like that carried on to the Eastern Pacific by the Union Steam-ship Company of New Zealand—no trading done. For the inter-island mail service to connect, a small subsidy would suffice, but you could hardly restrict trading in this case, unless you paid sufficient just to keep a vessel running on mail service alone, as there would be little assistance in the way of freight and passengers. However, by calling tenders you would make it as equitable as possible. In conclusion, we may state that we have been connected with trade in these islands for many years, and know the conditions there as well as any one.

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Surely when a responsible firm like Kerr Brothers say that tenders should be called for, it should be done?

Senator Staniforth Smith.—Does the honorable senator know what vessels they have?

Senator GIVENS.—No; but it is not unusual for firms to enter into contracts for performing services before they have the means at their command for carrying them out. We have no right to assume that a reputable firm, if given a contract for this mail service, would not properly and faithfully carry out its conditions. At any rate, we can secure ourselves in the event of a failure on their part. I fail to see why Messrs. Burns, Philp, and Company should be given a contract over the heads of many shipping firms who might have competed for it against them, unless some overwhelmingly good reasons can be shown for the course which the Government has pursued. I shall enter another protest at a later stage against the State I represent being overlooked to the benefit of Sydney, as it has been in this mail contract service. If a group of islands, considerably nearer to Melbourne than to Sydney, were connected by a direct mail service, for which a large subsidy was paid, with Sydney rather than with Melbourne, would there not be a loud outcry from one end of Victoria to the other at such palpable injustice? We, in Queensland, are in a similar position. A subsidy is given ostensibly as a mail subsidy, but mainly as a trading subsidy between Sydney and the New Hebrides, and although the ports of Rockhampton and Brisbane, which are connected by a direct mail service with all other parts of Australia, are considerably nearer to the New Hebrides, and are in the direct route, with no barriers or obstacles in the way, yet we find that they are passed over in the interests of Sydney. The Constitution is directed against any discrimination being shown. It is no part of the duty of the Commonwealth to indulge in any discrimination of that kind. As we are sent here particularly to represent and safeguard the interests of the States, I take it that it will be the duty of Queensland's representatives, or, at any rate, of such of them as are free to do so, to oppose to their very utmost this very inequitable proceeding.

Question resolved in the affirmative.

Bill read a second time.

In Committee.

Clause 1 agreed to.

The CHAIRMAN.—After consultation with the President, I have decided, unless there be any opposition to the course, to leave the clauses now, and proceed to the schedule. That appears to be the most convenient and regular method, because, if any alteration is requested in the schedule a consequential alteration can be requested in the clauses.

Clauses 2 and 3 and first schedule postponed.

Second schedule.

The Parliament.

Divisions 1 to 10, £29,956.

Senator STEWART (Queensland).—I rise to move requests for a reduction in the salaries of the President and Chairman of Committees. I am sure that honorable senators will acquit me of any personal motive in taking this course. I have the greatest respect for the ability and impartiality of these two officers, but my opinion has always been that they have received allowances far in excess of what they should get. The President gets an official salary of £1,100, in addition to his parliamentary allowance of £400, while the Chairman gets an official salary of £500, in addition to his parliamentary allowance of £400. Now, as economy is our watchword, we have here a most excellent opportunity of making a beginning. If we can get the salary of the President reduced from £1,100 to £600, and the salary of the Chairman reduced from £500 to £350, they will receive £1,000 and £750 respectively. One thousand pounds a year is, I submit, ample remuneration for the President. It is as much as is paid in any State Legislature, and, in my opinion, it is more than the services rendered to the Commonwealth merit.

Senator Gray.—But does he not hold a higher position than the President of a Legislative Council?

Senator STEWART.—The State Legislatures dealt in a most extravagant fashion with some of their officials, and that evil example the Commonwealth has been only too ready to follow. I am sure that there is no one in the Chamber who is more anxious for the cutting down of expenditure and the lessening of taxation than Senator Gray.

Senator Gray.—Hear, hear.

Senator STEWART.—When we come right down to particulars, where is the honorable senator? It is all very well to prate about economy, to say that the expenditure

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is too large; but when a concrete case is submitted to honorable senators we cannot get their support.

Senator GRAY.—I always like to pay a good man well.

Senator STEWART.—I, too, believe in paying a good man well, but a salary of £1,100 a year for the President is altogether out of proportion either to the importance of the position, or to the character of his duties. Last year I should have pressed the motion to a division if I had received any encouragement, but I did not. On this occasion I am determined to divide the Committee, even if I sit alone. In the first place, I move—

That the House of Representatives be requested to reduce the item "The President £1,100" by £500.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I hope that in spite of the very emphatic way in which Senator Stewart has announced his intention to, if necessary, sit alone, he will not press his motion to a division. We are all agreed that economy is the order of the day, but, of course, there is a limit to the extent to which it can be pushed. We all remember the case of the man who wished to economize in the feeding of his horse. Eventually he got down to one straw a day, but the horse died.

Senator MULCAHY.—Surely, the honorable and learned senator does not consider that a parallel case?

Senator Sir JOSIAH SYMON.—The salaries were fixed at their present rates after considerable discussion, and it is an inopportune time, I think, to press for a reduction in the middle of a Parliament.

Senator KEATING.—The salary of the President was reduced from £1,500 to £1,100.

Senator Sir JOSIAH SYMON.—On that occasion the question was not one of increase, but of reduction.

Senator PLAYFORD.—The President and the Chairman were not to get the parliamentary allowance of £400 a year.

Senator Sir JOSIAH SYMON.—It was proposed that the President should get an official salary of £1,500 a year in addition to the parliamentary allowance of £400, but the Parliament decided that the total remuneration of the President should be £1,500, and that the Chairman of Committees should receive, in all, £900. That is all I intend to say on that question. It may not be out of place for me to express my appreciation—and I think it will be shared by honorable senators—of the manner in which the Chairman has presided over our deliberations in Committee, and discharged the duties of his high office.

Senator MULCAHY (Tasmania).—I am quite as free from any personal feeling in reference to this matter as is Senator Stewart, but I intend to prevent him from having the unpleasant experience of standing alone if he calls for a division. I think that reductions ought to be made in the salaries of the President and the Chairman of Committees. In several of the States, I know of men who have had to discharge duties involving much greater anxiety and worry than are entailed in the duties of the two officers mentioned—men who have occupied positions as Ministers of the Crown, and who have worked hard by day, sometimes far into the night—and I am obliged to add occasionally even on Sundays—for very much smaller salaries than these. Some such gentlemen have been paid at the rate of £750 a year.

Senator Sir JOSIAH SYMON.—I think we all admit that the amount is liberal.

Senator MULCAHY.—I think it is overliberal. Although I do not see any chance of bringing about an economy at present, we certainly should bring it about eventually, and as an expression of my own view I shall vote with Senator Stewart.

Senator Lt.-Col. NEILD (New South Wales).—While my votes in the Senate have always been recorded in the direction of economy, I do not consider that the great State which sends me here expects that the President of this august body shall receive a smaller remuneration than that which is paid by New South Wales to the Speaker of the Legislative Assembly. There the salary paid is £1,500 a year. The inordinate length of our sessions, during which the President is compelled to be in attendance at all hours, is in itself an ample justification for the salary paid. Let us take the past two sessions. With the exception of a couple of months for the purpose of holding the last general election, this Senate has been sitting practically ever since the beginning of May last year. I do not consider that we can possibly hope to have as President of the Senate a gentleman possessing the large constitutional attainments and the great experience that our President possesses if we cut down the salary in the manner proposed. We cannot expect the President of the Senate to give up the time our sittings necessitate, and to

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abandon practically all personal exertion in other directions, if the emolument is to be reduced. There has been no demand from any part of the Commonwealth for such a reduction. I shall feel it to be my duty, and I believe that I shall be acting in accordance with the wishes of those who sent me here, to oppose the proposed request.

Senator STYLES (Victoria).—I do not feel inclined to support this reduction, mainly because the occupants of the two offices referred to accepted them knowing what the salaries were to be.

Senator Stewart.—They can resign if they are dissatisfied.

Senator STYLES.—We can all resign if we like; but we do not. The amount of salary was, I consider, a bargain made for the time being with the gentlemen who hold the positions. I would point out that the Speaker of the Legislative Assembly of Victoria receives £1,000 per annum, and the Chairman of Committees receives £640, including all payments. The President of the Legislative Council receives £750, and the Chairman of Committees of that House £400 a year. But the curious anomaly, when we contrast the salaries paid by the Federal Parliament with the salaries paid in the State Parliament, is that whilst the Clerk of the Parliaments for all Australia receives £900 a year, the Clerk of the Parliaments in Victoria receives £1,200 a year, and has about half the amount of work to do. So that we can hardly find a guide in Victorian rates of payment. If the salaries of the Speaker of the House of Representatives and the President of the Senate are to be fixed at Victorian rates we should act upon the same principle in regard to the Clerk of the Parliaments, and should increase Mr. Blackmore's salary by £300 a year. In view of the fact that many members of the Federal Parliament declare that £400 a year is an insufficient salary, and that they would vote for its increase, it is a little bit inconsistent for us to say that the salaries of our chief officers are too high. My principal point, however, is that a bargain was made with them, and that we ought not to break it. I hope that the Committee will not interfere with those payments. Let us go on as at present until the time comes when we have to elect a new President and another Chairman of Committees. Then will be the time to make substantial reductions in both salaries.

Senator GIVENS (Queensland).—There is no possibility of Senator Stewart standing alone if he calls for a division, because at least one other honorable senator has notified his intention to vote for the motion, and I also shall be very pleased indeed to do the same. I say at once that I shall do so without any feeling against either the President or the Chairman of Committees. I think that if you, sir, were to examine your ideas as to my motives, you would acquit me at once of having any personal feeling against yourself. We hear a great deal of talk about the poorer classes of the people, and about the necessity for exercising the most stringent economy. There are many honorable senators who will vote for the retention of these salaries; but who will go outside and say on various platforms that the expenditure of the Federal Parliament is too high. When we come down to bed-rock, and they are asked to support their declarations by their votes, they will not do it. The Attorney-General tells us that the time for a reduction is inopportune. That is always the argument when any economy, or any reform is proposed. We are then told "some other time, and some other circumstances will be more appropriate, but we cannot do it now." I have seen various attempts to reduce salaries and exactly the same argument has been trotted out. Then we are told that it will be *infra dig.* for this Parliament to reduce the salaries of its chief officers at the present time. If, however, we wait until the offices become vacant, we shall be told that we ought not to reduce the salaries, because that will be attempting to bind a future Parliament. We shall be powerless to effect any reduction. In looking over the list of salaries paid, I am struck by the remarkable disproportion of the emoluments to services rendered. There seems to be a huge disproportion between the salaries received by some officers when the value of their services is taken into account. One man's salary is set down at £1,500, and another's at £400, although the services of the latter are just as much at the disposal of the country, and just as valuable as are those of the former. I hope that a sufficient number of honorable senators will prove their earnestress by voting so as to show to the people outside that some of us are sincere in our desire to effect economies.

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Senator McGREGOR (South Australia).—I have travelled in many parts of Australia, and I have come through more than one general election, but I have never heard a single individual complain about the allowances made to the President and the Chairman of Committees of the Senate, nor about similar salaries paid in the House of Representatives. Many members of this Parliament have stated publicly that their allowances are scarcely sufficient. I hold that opinion, and am prepared to advance it again. I hope that the day will never arrive in Australia when the allowances paid to the President and the Chairman will be reduced. We have passed through the most critical period of the Commonwealth, so far as its finances are concerned. We have reason to hope that the population will increase, and that our prosperity will be greater in proportion to the increase. If we have been able to afford these salaries in the past, and the people have not grumbled at them, we shall be in a better position to afford them in the future. I cannot see any object in a motion of this description, unless Senator Stewart is having a little diversion at the expense of the President and the Chairman. Perhaps there may be an inclination to amuse ourselves because business is not so pressing as it might be. We have wasted the morning, and Senator Stewart may imagine that we may as well waste the afternoon. If that is his opinion, we may as well know it. As for his standing alone, I am only sorry that Senator Givens and Senator Mulcahy have decided to vote with him. To impute motives to them would be improper. Of course, they have no wrong motive for what they are doing. Their term of office is not about to expire, so that they cannot be aiming at a little cheap popularity. If they were senators who would have to face the electors at the next elections, I might say that they were taking this action with a view to their being returned again. But as I cannot attribute that motive to them, I can only assume that they are amusing themselves and the rest of us. I hope that only the economic trinity will be found voting for the reduction when the division takes place.

Senator Sir WILLIAM ZEAL (Victoria).—I trust that this motion will not be carried. Few honorable senators can have any idea of the amount of business which the President and the Chairman of Committees have to do. I consider that the proposed economies will be in the wrong direction. Honorable senators opposite were some time ago strong supporters of the proposal to establish a High Court. A very large sum of money was voted for that purpose, and though I tried to stave off the question for some time, until the Commonwealth could better afford the expenditure, I got no support whatever from Senator Stewart, and other honorable senators opposite. The honorable senator now proposes to cut down the salaries of officers of Parliament on what appear to me to be quite insufficient grounds. If we are to have officials of this Parliament, they should be properly paid.

Senator STEWART.—Is not £1,000 a year plenty?

Senator Sir WILLIAM ZEAL.—I do not think that it is. The dignity of the offices held by the President and the Chairman of Committees of the Senate must be taken into account. There are other directions in which the honorable senator might more reasonably economize. I ask him to compare the salaries paid to the two officers referred to with those paid to officers in other branches of the service. What about the salary of £2,500 a year paid to the General Officer Commanding the Military Forces of the Commonwealth?

Senator DAWSON.—This is the last time that salary will be voted.

Senator Sir WILLIAM ZEAL.—That is the salary which has been paid up to the present time, and there are enormous perquisites in addition. I think it is wrong to attempt to belittle the Federal Parliament in this way. If we cannot afford to pay our President and Chairman of Committees a fair salary, we should shut up this Chamber. If honorable senators really desire to economize, let them cut down their speeches. The cost of *Hansard* would pay the salaries of the President and Chairman of Committees twice over.

Senator DAWSON.—And increase the salaries of members of the Federal Parliament as well.

Senator Sir WILLIAM ZEAL.—I should be prepared, if honorable senators would support me, to abolish all pay to members of the Senate. In my opinion, it is sufficient honour to represent the people in the way we do, without any emolument whatever.

Senator GIVENS. — What about the honour of being President of the Senate?

Senator Sir WILLIAM ZEAL.—The President and Chairman of Committees of the Senate must perform the duties of their

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office continually, and we should pay them well. I invite honorable senators to look through the Estimates, and see what we have already done, and propose to do. Let them consider the money which has been expended on viewing the Federal Capital Sites. The money which has been spent for that purpose and on *Hansard*, would cover the salaries paid to the officers of Parliament for many years to come. I shall ask Senator Stewart presently to support me when I take action in connexion with the proposed wild-cat desert railway.

Senator Sir JOSIAH SYMON.—There is no railway answering that description to come before the Senate this year.

Senator Sir WILLIAM ZEAL.—I shall narrowly watch what Senator Stewart will do when he is asked to vote £20,000 for the survey of that railway.

The CHAIRMAN.—The honorable senator is not in order in discussing that question.

Senator Sir WILLIAM ZEAL.—I have no wish to raise that question now; but I shall watch my honorable friend's conduct in connexion with a certain vote, and if he does not come up to scratch in that matter, I shall be prepared to deal with him. I hope that honorable senators will not make a farce of the Federal Parliament by belittling the importance of its officers. From the President downwards, the officers of the Senate are a body of men of whom we can be proud. If honorable senators were to propose an increase in their salaries, I should not oppose it.

Senator STEWART (Queensland).—I regret very much that honorable senators have not seen fit to receive my proposal with more favour.

Senator CLEMONS.—The honorable senator has not yet tried a division. That is the best test.

Senator STEWART.—I may tell my honorable friend Senator Clemons that I intend to try a division. But before we come to a division, I should like to point out the position at present existing in Queensland. We have six or seven Ministers of the Crown there, who are paid £750 per annum each. No man can fairly compare the work of a Minister of the Crown in charge of a great Department in a State with that either of the President or the Chairman of Committees of the Senate. Yet in the one case we have the President receiving £1,500—twice as much as is paid to a State Minister in Queensland, and in the other case the Chairman of Committees receiving £900 a year, or £150 more than is paid to the Minister in charge of a great Department in Queensland. One of these Queensland Ministers has said that it is simply scandalous that we should pay such salaries to our officers in the Federal Parliament. I agree with him, and repeat that it is scandalous. We are paying far more than the services rendered are worth. Honorable senators appear to me to be extremely modest. Where is the honorable senator, with one exception—and that exception is probably myself—who is not as well qualified to hold the position of President or Chairman of Committees of the Senate as are the honorable senators now holding those positions? I ask that question without in the slightest degree under-estimating the capacity of those honorable gentlemen. Senator Zeal, I am sure, would be prepared to fill the position of President for nothing, and I am equally sure we could get Senator Fraser to act as Chairman of Committees of the Senate at the same figure. Senator McGregor has suggested that I am having a little game with the Senate, and am merely amusing myself. I do not come here to amuse myself, the members of the Senate, or my constituents. I come here to do sound business. I would ask honorable senators before coming to a vote on this subject to consider what it is they are paying the extra £1,100 a year to the President for. I ask them to compare the two positions, the position of an honorable senator chosen by the electors of his State to represent them in the Senate of the Commonwealth, and the position of the President of the Senate, chosen by its members, to act as Chairman of the Senate. Which of the two positions is the more important?

Senator STANIFORTH SMITH.—The President is also elected by the people of his State.

Senator STEWART.—Which of the two positions carries with it the greater responsibility?

Senator TRENWITH.—Surely that of the elect of the elect.

Senator STEWART.—I am satisfied that of the two positions the more important and responsible is not that of the President of the Senate, but that of a member of this august body. Some one has called it an "august" body. I do not exactly know the meaning of "august," as used in

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this connexion, but probably it is like the word "Mesopotamia," very comforting to some people. I, therefore, take the liberty of using it, and I say that of the two positions it appears to me that the position of a member of the Senate representing the people of a State is the more important. I need only refer honorable senators to Senator Neild, who comes into this Chamber like a flaring comet with a tail of 194,000 or 198,000 votes behind him. Is not that honorable senator's position of greater importance than is that of the President of the Senate? When we come to consider the duties, I say that the duties of the President of the Senate are——

Senator PLAYFORD.—Are honorary.

Senator STEWART.—Honorary. Well, no; not honorary, but mainly of an honorary character, for the reason that a large proportion of the members of the Senate are honorable gentlemen who have had previous parliamentary experience, and who are, therefore, amenable to the Standing Orders. Another reason is that we are all, I think, respectable, peaceable persons, who conduct our debates with decorum. That being the case, I think the duties of President and Chairman of Committees of the Senate are of an eminently easy character, and that in paying them £1,100 a year and £500 a year respectively, we are paying just a little too much for our whistle. I trust the majority of honorable senators will support me in this proposal.

Senator TURLEY (Queensland).—I am very glad to hear that Senator Stewart proposes to put this question to a vote. I hope that there will be no reduction moved which will not be carried to a division. If I move any reduction on the Estimates, I shall divide the Committee on my proposal. I shall not move a reduction for fun, and if one thinks that a vote is extravagant he should be prepared to take the opinion of the Committee on the matter. I shall vote against the amendment moved by Senator Stewart, though I am under the impression that the salaries paid to the President and Chairman of Committees of the Senate should represent the total remuneration received by those officers. If Senator Stewart is prepared to submit a motion next year, or to introduce a Bill to provide that the salary set down in the Estimates for the President and Chairman of Committees shall be inclusive of their allowance as members of the Senate, I shall be prepared to vote with him. We have been invited to consider the salaries paid by the States Parliaments, and we have been told that Ministers in Queensland are opposed to the large salaries which are voted here. On the authority of Senator Stewart, we are told that one Queensland Minister has stated that the salaries being paid here to officials are scandalous. It should not be forgotten that the salary of the Speaker of the Queensland Legislative Assembly was £1,000 a year, and it was only under a special Retrenchment Act that the salaries of Queensland Ministers, the Speaker, and members of the Legislative Assembly in that State were reduced. But for the necessity for special retrenchment forced upon the Queensland Parliament, through the exigencies of the State Treasury, those salaries would not have been reduced.

Senator DAWSON.—The Clerk of the Queensland Legislative Assembly gets £900 a year.

Senator TURLEY.—I should like to remind Senator Stewart that in all probability the Queensland Minister who made the statement to which he has referred takes exception to the salary which is being paid to honorable senators at the present time, because it is higher than that paid to members of the Legislative Assembly in Queensland. I am perfectly satisfied that the same honorable gentleman takes an equally determined stand in objection to the allowances made to Senator Stewart and other honorable senators. When I was before the electors last year, I had not previously been a member of the Senate, and I told them, when the question of salaries came up, that, while I had no experience on the subject, I believed that the salary attached to the position was not too high. I have since had some experience of it, and I am satisfied now that it is not too high. I am one of those who would be prepared to vote for an increase of that salary. I should like to know whether Senator Stewart and other honorable senators who are crying out for economy, are not prepared to vote, as I am, for an increase of their own salaries, although they are content to exercise economy by reducing the salaries of members of the Senate who have been chosen to occupy responsible positions? That is the position I take up, and I think it fair to view the matter from that standpoint.

Question—That the House of Representatives be requested to reduce the item "The

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President, £1,100," by £500—put. The Committee divided.

Ayes ...	... ...	3
Noes ...	... ...	25
Majority	... ...	22

AYES.

Givens, T.	*Teller:*
Mulcahy, E.	Stewart, J. C.

NOES.

Best, R. W.	Pearce, G. F.
Croft, J. W.	Playford, T.
Dawson, A.	Pulsford, E.
Dobson, H.	Smith, M. S. C.
Drake, J. G.	Story, W. H.
Fraser, S.	Styles, J.
Gray, J. P.	Symon, Sir J. H.
Henderson, G.	Trenwith, W. A.
Higgs, W. G.	Turley, H.
Keating, J. H.	Walker, J. T.
Matheson, A. P.	Zeal, Sir W. A.
McGregor, G.	*Teller:*
Neild, J. C.	Clemons, J. S.

Question so resolved in the negative.

Request negatived.

Senator PEARCE (Western Australia).—I observe that while the door-keeper and housekeeper of the Senate receives £235 per annum, the officer occupying a similar position in the House of Representatives receives £245. I understand that last session a rule was laid down that similar officers should receive similar salaries, and I should like to know the reason for this departure.

Senator Sir RICHARD BAKER (South Australia).—I can explain the reason for the difference. When the first Estimates were submitted to the Parliament, the Treasurer, being a Victorian ex-Treasurer, based them very much on those of the Victorian Parliament. In Victoria, the Housekeeper of the Legislative Assembly had a very much larger salary than had the Housekeeper of the Legislative Council, but the Joint Committee of the Federal Parliament decided that this anomaly should cease, and that both housekeepers should be similarly paid. It was agreed, however, that the salaries should not be made equal all at once, but that the salary of the Housekeeper of the Senate should be gradually increased; and hence the difference.

Senator PEARCE (Western Australia).—The explanation is hardly satisfactory, for the reason that last year both officers received £235. What has really happened is that the Housekeeper of the House of Representatives received an increase of £10.

Senator Sir JOSIAH SYMON.—Perhaps I may supplement what the President has been good enough to say. The Housekeeper in the House of Representatives received his increase in salary by a special Order in Council, under which he was appointed, and he will reach his maximum salary when he receives £250. This is an exceptional increase.

Senator STEWART (Queensland).—I desire to move that reductions be made in the salaries of the Clerk of the Parliaments, Clerk Assistant, and Paying Officer, Usher of the Black Rod, and Clerk of the Papers and Accountant, who are, I think, paid more than they are entitled to, considering the services rendered. I move, in the first place—

> That the House of Representatives be requested to reduce the item "Clerk of the Parliaments, £900," by £150.

I think that £750 is quite sufficient to pay the Clerk. We must remember that we are living in times when the vast body of taxpayers are in very poor circumstances.

Senator STANIFORTH SMITH.—Will the honorable senator move a similar reduction in the salary of the Clerk of the House of Representatives?

Senator STEWART.—I should do so, but what would be the good? I find that honorable senators resort to any argument to evade the straight issue—they ask me to do anything under heaven except that which I am doing now. I am prepared, when the House of Representatives comes under review, to move an exactly similar reduction.

Senator GIVENS.—Is that not the particular business of the House of Representatives?

Senator STEWART.—I think we have just as much power over the salaries paid in the House of Representatives as we have over the salaries paid in the Senate. Senator Turley, in speaking on the previous amendment I submitted, asked me whether I was willing, in proposing a reduction in the President's salary, to propose a reduction in my own salary as senator.

Senator TURLEY.—I asked the honorable senator whether he was prepared to vote for an increase in his salary.

Senator STEWART.—That is a very cheap sort of sentiment to utter. Honorable senators know perfectly well that if a motion for an increase of honorable senators' salaries was brought forward this afternoon, I should vote for it. And I should do so for exactly the same reason that I support a reduction in the salaries of the President, the Chairman of Committees, and other officials, namely, to make the

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salaries commensurate with the services. I do not care about entering into personal particulars; but, in my opinion, honorable senators are the worst paid officials in the Commonwealth. There is not an honorable senator, with, perhaps one or two exceptions, who is not compelled to disburse a very considerable sum in order to get returned. When he becomes a member of this Chamber, he has to contribute in various directions so as to keep the good-will of his constituents; and after his period of office expires, if he wishes to come back, he has to spend further sums. In addition to all this, if he does his duty as the Commonwealth expects him to do, he has to spend largely in travelling up and down his constituency during the recess.

Senator GIVENS.—And throughout the Commonwealth in order to get an idea of the condition of the other States.

Senator STEWART.—That is so, in order that he may be able to assist in legislating for the Commonwealth. When we compare the position of honorable senators with the position of the officials, who are tied down to one particular spot, and have none of the expenses to which I have referred, we can only come to the conclusion that we are underpaid. That opinion I have always expressed, and I believe that senators are underpaid very largely because a considerable number of the officials are overpaid. There is not sufficient money to pay every one an extravagant salary, and, that being the case, some one is bound to suffer. I am trying to be guided by the principles of equity. The labourer is worthy of his hire, in whatever capacity he is placed. Comparing our salaries with those paid in other States, they are too high. Of course, we need not trouble about Victoria, where they have been in the habit of paying high officials very lavishly, and of sweating their minor officials.

Senator Sir WILLIAM ZEAL.—Nothing of the kind.

Senator STEWART.—It is the custom now. They pay Sir George Jenkins, I believe, £1,200 a year as a sort of ornamental Clerk of the Parliaments.

Senator TRENWITH.—Sir George Jenkins cannot say anything here, and as it is not relevant to the question why introduce his name?

Senator STEWART.—The honorable senator is here so seldom that he does not know what takes place. Is he aware that one Victorian senator advanced as a reason why high salaries should be paid that £1,200 a year was paid to the Clerk of the Victorian Parliaments. I consider that these salaries are extravagant, and I propose to test the feeling of the Committee, but if I should be defeated I shall come to the conclusion that my brand of economy is not appreciated, and I shall not call for another division.

Senator Lt.-Col. NEILD.—The Kyabram brand.

Senator STEWART.—I am not a Kyabramite. I believe in paying every one handsomely, according to the position he fills, but I do not believe in over-paying or under-paying. I hold that £750 a year would be a handsome payment for the position of Clerk of the Parliaments.

Question—That the House of Representatives be requested to reduce the item "Clerk of the Parliaments £900," by £150—put. The Committee divided.

Ayes	2
Noes	26
Majority	24

AYES.

Stewart, J. C.	*Teller:*
	Givens, T.

NOES.

Baker, Sir R. C.	Pearce, G. F.
Croft, J. W.	Playford, T.
Dawson, A.	Pulsford, E.
Dobson, H.	Smith, S.
Drake, J. G.	Story, W. H.
Fraser, S.	Styles, J.
Gray, J. P.	Symon, Sir J. H.
Henderson, G.	Trenwith, W. A.
Higgs, W. G.	Turley, H.
Keating, J. H.	Walker, J. T.
Matheson, A. P.	Zeal, Sir W. A.
McGregor, G.	
Mulcahy, E.	*Teller:*
Neild, J. C.	Clemons, J. S.

Question so resolved in the negative.

Request negatived.

Senator PEARCE (Western Australia).—I am not satisfied with the Attorney-General's explanation as to the increase in the salary of the Housekeeper of the House of Representatives, and therefore I move—

That the House of Representatives be requested to reduce the item "Housekeeper £245" by £10.

My object in moving this request is to enforce the understanding that the officers of the Senate should receive the same rate of salary as the officers of another place doing corresponding work. I know it will be argued that the other House sits longer than we do, but it must be remembered

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that it has more officers, and that the work is shared among them. If this increase be allowed to the Housekeeper on the other side, we shall be asked next year to increase the salary of the corresponding officer on this side. I do not propose to speak any longer, because it is not a very important point, but I hold that the salaries of corresponding officers in the Houses should be kept at the same amount.

Senator Sir JOSIAH SYMON.—I ask my honorable friend not to press this request, because, as he has very properly said, it is a very small matter which is involved.

Senator DAWSON.—There is a big matter of principle involved though. Why differentiate in this way between the two officers?

Senator Sir JOSIAH SYMON.—I have no such desire, and I do not think that this increase would have that effect. I fancy that the other House would not very readily agree with the request. It would be a pity to send down a request on what Senator Pearce has said is a small matter.

Senator DAWSON.—Why do they treat the two officers differently?

Senator Sir JOSIAH SYMON.—I expect that the other House would take the same attitude as the Senate did last year and the year before, when it resented very strongly any interference by the other House with the remuneration which had been recommended for its officers. The other House has said that a salary of £245 is what ought to be paid to this officer, and if we were to send down this request I should be very much surprised if they did not take the same attitude as we should justly take if an attempt were made to interfere with the salary recommended for an officer of the Senate.

Senator MCGREGOR.—Cannot the honorable and learned senator see that we have no power to suggest an increase in the salary of our Housekeeper.

Senator Sir JOSIAH SYMON.—I see that, and we are not suggesting an increase.

Senator MCGREGOR.—But we should.

Senator Sir JOSIAH SYMON.—Surely it may be pointed out that it is proposed to ask for a reduction in a salary which the other House has said is a proper one to be paid to its Housekeeper.

Senator MCGREGOR.—Why do they not say that it is a proper salary to be paid to the Senate's Housekeeper?

Senator Sir JOSIAH SYMON. — We cannot propose an increase to our Housekeeper. Not only has this £245 been declared by the other House to be adequate for this servant, but the increase of £10 is an automatic one under the contract under which he was appointed. By making this reduction we should be repudiating the bargain made with the officer, which I may say involves a further increase of £5 next year, when he will have got to the maximum to which he is entitled.

Senator TURLEY.—During the last year or two all the States Parliaments have had to repudiate in that way.

Senator Sir JOSIAH SYMON.—If there is an over-riding reason for retrenchment all round, for what has been very properly called, and what is in certain cases, repudiation, it is all right; but I do not think that we should single out an officer who accepted his appointment on certain terms which are set forth in an Order in Council. The other House has carried out the bargain by voting an increase of £10 this year. It would justly feel, I think, that we were going out of our way if we were to ask for a reduction of the salary by that sum. Next year the salary of the Housekeeper for the Senate can be considered with a view to putting his office, if necessary, on the same footing as the other. I sympathize with my honorable friend in regard to our officer. I do not wish to discuss the point as to the number of officers on each side, but I do hold to some extent the view which Senators Stewart, Givens, and Mulcahy have given utterance to, namely, that in some respects the Senate does not require the same amount of service.

Senator MCGREGOR.—It does not get the same amount of service.

Senator Sir JOSIAH SYMON.—In some respects I think we are overmanned. But I would rather not discuss that at all. Personally, if the matter depended upon me alone, I should be glad to make an increase in the salary of this officer. But we are not voting money out of our individual pockets. We are acting as trustees for the public taxpayer. I am one of those who think that the dignity of the Senate is not to be maintained by any rivalry as to the maintenance of the expenditure for this Chamber on the same level as that for the House of Representatives. It is not worthy of the Senate to claim that our officers should necessarily be paid on the same scale as

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the officers of the other House. If that attitude is to be taken up, I may point out that there are other lines to which the House of Representatives might take exception. I find, for instance, that the travelling expenses in connexion with the Senate are set down at £60, as against an appropriation of £50 last year, and an expenditure of £60; whereas the travelling expenses for the House of Representatives are only £25. If we were to insist upon absolute equality, the other House might object to that. I wish it to be understood that my sympathies are entirely with the particular officer concerned. I think he is an excellent officer. But if we send down a request of this character, we shall lay ourselves open to the imputation that we are interfering with a matter with which we have no direct concern.

Senator TRENWITH (Victoria).—I regret these discussions on the Estimates in connexion with individual salaries. They have led to allegations that our officers are overpaid. Those statements may be correct, but, if so, it is not appropriate that we should discuss them in connexion with a measure like this. If it is generally considered that our expenditure is too extravagant, the whole subject should be reviewed at a time and under conditions when it can be completely and thoroughly discussed. To discuss individual salaries on the Estimates never leads to anything except loss of time. If an injustice is being done to the taxpayer, as would be the case if our salaries were too high, the proper way to remedy it would be for notice to be given that a particular item was going to be challenged, so that we might discuss it with all the information before us, and arrive at a satisfactory determination. Senator Stewart is an old parliamentarian, and his experience will teach him that motions of this character on the Estimates never lead to anything, except, perhaps, that occasionally the attention of the Government is directed to an anomaly that may subsequently be removed. I do not say for a moment that I agree that our officers are too highly paid, but I admit that it is an important question, well worthy of discussion. I urge, however, that it is not competent for us to discuss that question completely and satisfactorily at the present moment.

Senator McGREGOR (South Australia).—I do not think that the honorable senator who brought this matter under the notice of the Committee really desires that the salary referred to should be reduced. But the point is that an officer of equal standing, and even longer service, on the Senate side of the building, is not being similarly treated. The Joint House Committee arranged that the salaries of the two housekeepers should be on the same footing. But we find that the salary on one side of the building has been increased by £10 after that decision was arrived at. It is therefore urged that the officer occupying a similar position on the Senate side should be placed upon an equal footing.

Senator Sir JOSIAH SYMON.—It was not the House of Representatives that increased the salary; the increase was made automatically.

Senator McGREGOR.—I understand that, but the increase does not carry out the understanding that was arrived at some time ago. I am not arguing with respect to principle, but as to the facts. When we find that there is a violation of an understanding of this sort, this is the proper place to allude to it. The Attorney-General has said that the Senate requires less attendance than does the House of Representatives, but he ought to know that we have fewer attendants on this side. There is no more proper occasion for ventilating such a matter than when the Appropriation Bill is before us. The honorable senator who called attention to the matter did so with a view to prevent an injustice being done, and with the hope, I suppose, that some remedy would be effected on a future occasion.

Request negatived.

Senator STEWART (Queensland).—I see that there is an appropriation of £550 for "Office-cleaners, including service for *Hansard* Department." I should like to know how many of these office-cleaners there are, how they are employed, and what they are paid?

Senator Sir JOSIAH SYMON.—I am not able to give the honorable senator that information at present, but I will supply it to him to-morrow. I cannot tell the number of casual office-cleaners.

Senator TURLEY (Queensland).—What is the meaning of the vote, "Supply of newspapers, £35"? Is that for the Library?

Senator Sir JOSIAH SYMON.—No; these are newspapers supplied to the club-

room and other rooms used by members of Parliament. The expenditure is not for Library copies.

Senator STEWART (Queensland).—I see that the sum of £999 was expended last year on books, book-binding, including insurance against fire, and I should like to know what was the actual sum spent on new books. I wish to know also whether these new books are the property of the Federal Parliament, or are to be left in the State Library when the Federal Parliament is moved to the Federal Capital?

Senator Sir JOSIAH SYMON.—The books purchased from the vote passed by the Commonwealth Parliament are the property of the Commonwealth. They represent the gradual formation of a Commonwealth Parliamentary Library.

Senator TRENWITH.—Except such as may be purchased to replace books belonging to the State library.

Senator Sir JOSIAH SYMON.—Of course; and so also with bindings. We are under obligations to the State Parliament of Victoria in that respect, but we are establishing a Commonwealth library, and have been doing so since the inauguration of the Federal Parliament. I am unable to inform the honorable senator what proportion of the £999 spent last year was expended on new books, but if the honorable senator desires it, I shall obtain the information for him.

Senator TURLEY.—What is the "temporary assistance" for which a vote is asked?

Senator Sir JOSIAH SYMON.—The honorable senator is aware that there is a very great deal of labour thrown on the librarian and his regular assistants, especially during the parliamentary session, because they must be in attendance while each House is sitting.

Senator STYLES.—And while each Parliament is sitting.

Senator Sir JOSIAH SYMON.—That is so. Temporary assistance is often necessary to see that the books are properly catalogued, are put in their proper places, and are properly cared for.

Senator TURLEY.—Is this temporary assistance required only during the session?

Senator Sir JOSIAH SYMON.—It is chiefly required during the session, but at other times temporary assistance is required in cataloguing, arranging, and keeping the books in order.

Senator GIVENS (Queensland). — I should like to ask the Attorney-General who is the Controller of the Refreshment-rooms, to whom, I notice, an allowance of £50 is made?

Senator Sir JOSIAH SYMON.—The controller of the refreshment-rooms is the Usher of the Black Rod, Mr. Upward. As Usher of the Black Rod and Clerk of Select Committees of the Senate, he receives a salary of £550 a year. This vote of £50, to which the honorable senator refers, is an allowance paid for his special services in connexion with the joint House Committee.

Senator GIVENS (Queensland).—I consider that this practice of putting a stated salary for an official in one place in the Estimates, and giving him an allowance in quite another place in the Estimates, is highly objectionable, because, under it, one can never know how much an officer is really getting, without searching the Estimates through. Further than that, I consider that £550 a year, the salary drawn by this officer, is a very fair allowance, indeed, for the services he performs. I therefore move—

> That the House of Representatives be requested to leave out the item "Allowance to Controller £50."

I do so, because I consider the practice to which I have referred very objectionable, and, further, because I consider the £550 paid to this officer as Usher of the Black Rod, is decent remuneration for the total amount of work he performs. The officer himself is a gentleman for whom I have a very high regard, and my action in moving this reduction should not be viewed as in any way personal to him. It is only a sense of duty which would induce me to move any reduction in this gentleman's salary, but I hope the Committee will agree with me that this is a legitimate item on which we might practice economy.

Senator Sir JOSIAH SYMON.—I remind Senator Givens that this officer does not receive his salary of £550 for his work as Controller of the Refreshment Rooms. That is the salary paid to him as Usher of the Black Rod, Clerk of Select Committees of the Senate, and Secretary to the Joint House Committee. This £50 is the remuneration paid to him for services, the duties of which are carried out on behalf of both Houses.

Senator GIVENS.—Very onerous services?

Senator Sir JOSIAH SYMON.—I do not know that my honorable friend would care to perform them for £50 a year. This officer, in this capacity, is subject to all the

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complaints which people might make who get something which disagrees with them in the refreshment rooms. If they suffer from indigestion they are apt to visit it upon the Controller. The honorable senator will agree that it is better that we should vote the remuneration in this way as an allowance of £50, which might be varied in different years, rather than vote a fixed salary for an office of this description, as we are all aware how efficient this officer is in the discharge of his duties, and the advantage which his supervision secures for the Parliament in respect of the services mentioned, and the expenditure in connexion with the refreshment rooms. I hope that Senator Givens will not consider it necessary to press his amendment.

Question—That the House of Representatives be requested to leave out the item "Allowance to Controller £50"—put. The Committee divided.

Ayes	3
Noes	23
Majority	20

AYES.

Givens, T.	*Teller:*
Stewart, J. C.	Turley, H.

NOES.

Baker, Sir R. C.	Neild, J. C.
Croft, J. W.	Pearce, G. F.
Dawson, A.	Playford, T.
Dobson, H.	Pulsford, E.
Drake, J. G.	Smith, M. S. C.
Fraser, S.	Styles, J.
Gray, J. P.	Symon, Sir J. H.
Henderson, G.	Trenwith, W. A.
Higgs, W. G.	Walker, J. T.
Matheson, A. P.	Zeal, Sir W. A.
McGregor, G.	*Teller.*
Mulcahy, E.	Clemons, J. S.

Question so resolved in the negative.

Request negatived.

Senator STYLES (Victoria).—I notice a vote of £100 "For the purchase of a bust of the first Governor-General." Where is that bust?

Senator STEWART.—In the Library.

Senator STYLES.—Is that chunk of stone in the Library supposed to be a bust of the first Governor-General? I should never have recognised that it was intended for Lord Hopetoun, whom I had the honour of seeing many times during the time he was Governor of Victoria. I saw the piece of stone in the Library, but I had not the slightest idea that it was intended to represent Lord Hopetoun. Is this £100 the whole of the amount necessary on account of that piece of stone?

Senator Sir JOSIAH SYMON.—No, £100 was paid last year.

Senator STYLES.—All I can say is, that the artist who is responsible for it should be invited to write along the bottom, "This is a bust of Lord Hopetoun," in order that people might know whom it is intended to represent. I guessed that it was a bust of Senator Stewart, after the honorable senator had shaved. It is more like Senator Stewart than it is like Lord Hopetoun.

Senator STEWART.—Apologize!

Senator STYLES.—If the honorable senator feels offended, I apologize, because I admit that the bust does not do his manly beauty justice. I cannot compliment the person who had the selection of this bust, and who paid for it. It is so very little like Lord Hopetoun that I should not have it as a gift. It might represent almost any man cleanly shaved. I do not know whether we are committed to this expenditure, but if we have got this bust on the time-payment principle, I should recommend that it would be better we should cease the payments and allow the owner of the bust to seize it, and take it home again.

Senator Sir JOSIAH SYMON.—I do not think that Senator Styles desires me to treat this Chamber to a piece of art criticism as to the merits or demerits of this particular piece of statuary. As a great painter has said, we only see what we bring eyes to see. If the honorable senator went in a critical mood, not intending to see Lord Hopetoun in this bust, then Lord Hopetoun would not be seen. The Government has taken delivery of this piece of statuary, for which £200 was voted last year; and the £100 on the Estimates this year is the balance to complete the purchase.

Senator STYLES.—Then the sculptor ought to be given another £100 to take the bust away.

Senator TURLEY (Queensland).—I see there is an item for postage. Is postage paid by the Department, or does it go free?

Senator DRAKE.—It goes free.

DEPARTMENT OF EXTERNAL AFFAIRS.

Divisions 11 to 14A, £45,477.

Senator STEWART (Queensland).—This Department spends annually a considerable sum of money, and we ought to have a report of the business done so that we may be in a position to judge whether it is worth the expenditure. I hope the Government will take a note, and see that honorable senators are provided with official information on the point next session.

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Senator Sir JOSIAH SYMON.—I shall make a note of the point.

Senator STEWART.—I desire to call attention to what appears to me to be a somewhat curious state of affairs in connexion with the administration of the Immigration Restriction Act. I have not gone into the matter exhaustively, but I have stumbled on one case which leads me to suspect that the administration is becoming somewhat lax. Some time ago a man named Fatta Mahommed deserted from the Peninsular and Oriental steamer *Egypt*, at Sydney, and, in consequence, the captain was fined £15 under the Immigration Restriction Act. On behalf of the Peninsular and Oriental Company, a warrant was issued, charging this man with desertion, and he was arrested in Gippsland, where, I believe, he was found working on a farm. When the case came on for hearing in Melbourne, a telegram was produced from the Inspector-General of Police stating that the Peninsular and Oriental Company declined to take any action, as the desertion could not be proved. That is the first curious point in connexion with the business. It has been proved that the man deserted in Sydney, the captain having been fined £15, because he had allowed this man to go ashore; but the charge of desertion was abandoned, as I have indicated. But the funny part of the business has to come. The matter was reported to the Department of External Affairs by an officer of the Victorian Police Force, who asked whether it was proposed to institute proceedings under the Immigration Restriction Act; but that officer, at the same time, reported that the man had been a resident in Australia for fifteen years. If that were so, the man could not be a prohibited immigrant, seeing that he had been formerly domiciled in Australia, and, consequently, any legal steps may be resultless. Under all the circumstances, I want to know, in the first place, whether the fine of £15 has been refunded to the captain or to the Peninsular and Oriental Company, because, on the information given by the police, the fine was undoubtedly illegal. In the second place, I wish to know what evidence the Victorian police produced in support of the statement that this man had lived in Victoria for fifteen years? So far as I can gather from the documents in my possession, the mere statement of the Victorian police was deemed sufficient by the Department of External Affairs; and this indicates to me that the administration of the Act is becoming somewhat lax. We all know that if any leakage is permitted in this connexion, it will be possible to render nugatory, in a very great measure, the result sought to be achieved by the passing of the Act. I shall be glad to hear what the Attorney-General has to say on the subject, and I hope he has some reasonable explanation to offer.

Senator Sir JOSIAH SYMON.—Senator Stewart takes this opportunity to offer a criticism of what he describes as the lax method of administration under the Immigration Restriction Act.

Senator GIVENS.—Is that not a legitimate thing to do?

Senator Sir JOSIAH SYMON.—Perfectly, and I thoroughly enjoy and appreciate the criticism. But it seems to me that the instance which Senator Stewart gives shows, not defective or lax administration, but the very opposite. The remarks of the honorable senator show that when a mistake was made—as may readily occur in dealing with coloured races under the circumstances—the police and the Government, on obtaining correct information, applied a remedy as soon as possible. As Senator Stewart says, this man was allowed to be landed, and as he was supposed to be one of those aimed at by the Immigration Restriction Act, proceedings were promptly taken against the Peninsular and Oriental Company, with the result that the captain was fined. The steamer then went away with the captain, but in the meantime proceedings had been taken by the Peninsular and Oriental Company against this man for desertion. Those proceedings, however, were abandoned, and it was discovered by the authorities that this man, instead of being a prohibited immigrant, was as much entitled to land in Australia as would be Senator Stewart or myself. This man, it appears, had been domiciled in Australia for fifteen years.

Senator STEWART.—What evidence was there of that?

Senator Sir JOSIAH SYMON.—Senator Stewart will not ask me to go into details; but I know there was perfect evidence to that effect. In the case of the captain, the facts had not been completely investigated. What was the duty of the authorities? To at once refund the fine.

Senator STEWART.—Has that been done?

Senator Sir JOSIAH SYMON.—Yes; so that I am able to fully answer Senator

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Stewart, and show what appears to me to have been a very satisfactory result.

Senator STEWART (Queensland). — I am sorry to say that the explanation of the Attorney-General is not at all sufficient from my point of view. Instead of this case proving that the Department is extremely active in administering the Act——

Senator Sir JOSIAH SYMON.—And careful.

Senator STEWART.—I am sure that Senator Symon sees the issue as clearly as, if not more clearly than I do. This man deserted from his ship, and, in consequence, the captain was fined £15. Under the Immigration Restriction Act, the man ought to have been immediately placed under arrest, and dealt with as a prohibited person.

Senator TURLEY.—But did the authorities have the man?

Senator STEWART.—No; and that is where I blame the administration of the Act as defective.

Senator Sir JOSIAH SYMON. — "First catch your hare."

Senator STEWART. — The authorities did not know where the man was, and, I believe, that it was only by pure accident that they stumbled on him when he was working on a farm in Gippsland. But it was then found, according to the police information, that he had been fifteen years in Australia, and, consequently, did not come under the Act. I am compelled to the conclusion that the officers administering the Act were not in this case as watchful as they ought to have been. The Department should issue instructions for greater care to be exercised in the future.

Senator PEARCE (Western Australia). —I desire to ask the Attorney-General if any arrangement has been made between the States Governments and the Federal Government in order to carry out paragraph *e* of section 3 of the Immigration Restriction Act. The provision reads—

> Any person who has, within three years, been convicted of an offence not being a mere political offence, and has been sentenced to imprisonment for one year or longer therefor, and has not received a pardon.

Within the last six months two very heinous offences have been committed by Chinamen on young girls at Bendigo. The offences are of such a revolting character that I could not relate the circumstances here. But speaking from memory, the sentences passed on the criminals were for longer terms than twelve months. I am sure that every person in the Commonwealth would be glad to see it rid of such undesirable characters. Here is a law which would enable the Commonwealth to get rid of such criminals. But it seems that the Commonwealth can do nothing in that direction unless the States Governments notify them that these criminals have received such a sentence. I desire to ascertain if any record is kept, and, if not, will the Federal Government ask each State Government to notify them whenever an Asiatic is sentenced to a longer term of imprisonment than twelve months, especially for such horrible offences. I also desire to know whether the Attorney-General is in a position to furnish the Senate with a *précis* of the correspondence between the Governor-General and the Viceroy and Governor-General of India, relating to the admission of Indian merchants and others under exemption certificates. I hope that it will be furnished quickly, otherwise we shall have no opportunity of discussing the terms on which these persons are admitted.

Senator MATHESON (Western Australia).—It was suggested just now, that the Department of External Affairs should furnish a report. That is a most excellent suggestion. We get to know extremely little of what it is doing. It has so very little to do that, apparently, it finds itself obliged to do a great deal which is unnecessary. It appears that either Mr. Deakin or his Ministry became inspired with the insane idea that the members of the first Parliament of the Commonwealth should be labelled "Honorable." I am perfectly unaware of any demand having been made for that title by the members of the first Parliament.

Senator Sir JOSIAH SYMON.—But there is no charge for that in these Estimates?

Senator MATHESON.—No; but it is one of the things which have been done by the Department, and about which we have received no information. Apparently an application was made for this label, without the least demand on the part of the members of the first Parliament.

Senator PLAYFORD.—It is not in use.

Senator MATHESON. — I am very glad to hear that it is not in use.

Senator Sir JOSIAH SYMON.—But the honorable senator uses it.

Senator MATHESON.—I am not aware of it.

Senator Sir JOSIAH SYMON.—The honorable senator has not rejected it. Has he

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sent a memorandum to say that he repudiates it?

Senator MATHESON.—No.

Senator Sir JOSIAH SYMON.—The honorable senator has it, as well as the rest of us.

Senator MATHESON.—I am dealing with the question as it stands. The most extraordinary thing is that, whereas every other person in Australia who is entitled by virtue of his office to use the title of "Honorable" may use it throughout the British dominions, we alone are singled out as persons who may only use the title in Australia.

Senator PLAYFORD.—The honorable senator is mistaken there. The members of our Legislative Council are entitled to use the title of "Honorable," but they cannot use it outside the limits of the State.

Senator MATHESON.—The honorable senator is mistaken. I have taken care to look up this matter. There is a despatch dated, I think, in 1894, which entitles any member of a Legislative Council——

Senator MULCAHY.—To use the title after ten years' service.

Senator MATHESON.—Senator Playford may not be aware of the terms of the despatch, but he may take it from me that it is a fact that any member of a Legislative Council, while he enjoys the title in Australia, is entitled to use it in any part of His Majesty's dominions. I did not ask for this title—I do not desire it. It is putting a slur on the members of the first Federal Parliament that any restriction should be prescribed in reference to a title which does not apply to any other persons in Australia. It is applying to the members of the first Federal Parliament a distinct limitation of an honour which does not apply to any other persons in Australia using the same title.

Senator MULCAHY.—There are many men in Australia who cannot use the title of "Honorable" outside its boundary.

Senator MATHESON.—The honorable senator is mistaken, I think.

Senator PLAYFORD.—I am not certain, but I think I am right.

Senator MATHESON.—I have taken some trouble to look up this matter. We, as members of the first Federal Parliament, have precedence over Legislative Councillors, and yet we have been given this inferior title. Some steps ought to be taken either to decline the honour, or to have the members of the Federal Parliament put on an equality with the members of a State Legislature. That is essential if we have any consideration for our own dignity. It would have been as well if no demand had ever been made to get this honour from a Government which was evidently reluctant to give it. But that has been done, and now the proper thing to do is to rectify the wrong, and to put us in such a position that we shall be entitled once again to enjoy our self-respect.

Senator Sir JOSIAH SYMON.—I think that my honorable friend would have been consulting the dignity of the Senate and of the Parliament if he had not discussed this subject at all, because his objection seems to be that he has not got enough.

Senator MATHESON.—No.

Senator Sir JOSIAH SYMON.—My honorable friend's objection is that when he goes to England he cannot flourish this title about. He must leave it behind him in the waste-paper basket. He says that members of the first Federal Parliament are in an inferior position in having this distinction given to them. Surely, if he does not like the title, he can disclaim it.

Senator MATHESON.—I am thinking of the dignity of the Senate; I am not speaking from a personal point of view at all.

Senator Sir JOSIAH SYMON. — My honorable friend's dignity is part of the dignity of the Senate, and he certainly does not speak for other senators in this regard. It is a reflection on his fellow senators for the honorable senator to say that they are wearing a distinction which he calls first a label and then a title. If he thinks that his own dignity as a senator is wounded he should write a respectful and courteous letter to the Colonial Secretary, and say he does not wish to wear the distinction, but I find that he has raised no protest.

Senator MATHESON.—It was not the use of the title to which I alluded, but its acceptance by the Ministry.

Senator Sir JOSIAH SYMON.—I really am unable to follow my honorable friend in his diatribes against this distinction, because I find his name appearing in the list of members of the Senate every week in *Hansard* as the "Honorable Alexander Perceval Matheson."

Senator MATHESON.—I am not responsible for that.

Senator Sir JOSIAH SYMON.—I think my honorable friend ought to be.

Senator MATHESON.—I am no more responsible for that than I am when *Hansard* makes me refer to the Attorney-General

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as "the honorable and learned senator." I never apply to him that term. It is used by the *Hansard* reporter as a matter of politeness.

Senator Sir JOSIAH SYMON.—The honorable senator has applied that phrase to me as he did in his speech on the Defence Bill, but he forgets one day what he said the previous day. I am perfectly certain that when he referred to me as the "honorable and learned senator" he was genuine, and was not indulging in airy persiflage.

Senator MATHESON.—I said it is used as a matter of politeness by the reporter.

Senator Sir JOSIAH SYMON.—My honorable friend is the embodiment of politeness. If he does not wish this inferior title or this label affixed to him he can always get rid of it.

Senator MATHESON.—I discussed the principle, but the honorable senator is introducing this very personal element.

Senator Sir JOSIAH SYMON.—As my honorable friend has made his speech, can he not allow me to say a word without being heated and vehement about so paltry a matter?

Senator MATHESON.—The honorable and learned senator is putting into my mouth words I never uttered. I was speaking, not from a personal stand-point, but about a principle.

Senator Sir JOSIAH SYMON.—There is no principle involved. But if my honorable friend does not want the title, he can reject it. It would be a very maladroit thing for a Government, on behalf of all Members of Parliament, to repudiate to the Imperial Government this distinction—whether it is inferior or superior is not the question—simply because my honorable friend thinks that we ought to have the right to use it outside Australia. There is not much in it, and I hope he will see that it is not worth while bothering about. In reply to Senator Pearce, I wish to say that paragraph *e* of section 3 of the Immigration Restriction Act applies not to the persons to whom he referred, but to persons who have been convicted outside the Commonwealth, and who are sought to be introduced within our borders. The method which is adopted by the authorities is to make a captain declare that there are no persons of that sort amongst those who are brought to our shores in his ships, and who are sought to be landed. If offences are committed by persons already domiciled in the Commonwealth, they cannot be expelled because of those offences. My honorable friend also referred to a *précis* of the correspondence relating to the landing of Indian merchants under exemption certificates. I laid the papers upon the table of the Senate on the 8th December, and they show that the correspondence was initiated by the late Government.

Senator PEARCE.—I overlooked the fact that the papers had been tabled.

Senator PULSFORD (New South Wales). — I wish to say that when it was announced that the title of "Honorable" had been conferred upon the Members of the first Parliament of the Commonwealth, but that it was only to be for use in Australia, I wrote at once to the Department of External Affairs, saying that if the use of the title were to be so limited, I should prefer to be relieved of it. I received a reply from Mr. Hughes, Minister of External Affairs, saying that he would communicate my statement to the proper quarters.

Senator Sir JOSIAH SYMON.—There seems to have been some misunderstanding, and I should like to say that I agree with Senator Matheson as to his view. I do not see, personally, why there should be any limitation. I do not want to have any misunderstanding about the matter.

Senator MATHESON.—All the Attorney-General was concerned about was to make fun of me.

Senator Sir JOSIAH SYMON.—The honorable senator need not be so peppery about it.

Senator PEARCE (Western Australia). —I have just now, for the first time, been able to see the correspondence to which reference has been made. The fault is mine, because it was laid upon the table some time ago. I have to express my intense surprise at its contents. Although its emanates from a Government from which other things might have been expected, as it involves the entire negation of, and an absolute departure from, the Immigration Restriction Act, that is not going to deter me from criticising it. I have a duty not only to the party to which I belong, but to the people whom I represent. I have pledged myself to do my best to prevent the influx of coloured races into Australia. The first letter is from the Prime Minister, Mr. Watson, to the Governor-General, and is dated 15th August, 1904. It is as follows:—

My Lord,

I have the honour, at the instance of my colleague, the Minister of State for External Affairs, to inform your Excellency that he has had under

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consideration the question of so administering the Immigration Restriction Act as to afford an opportunity for Indian merchants, students, and tourist travellers to enter the Commonwealth temporarily without being subjected to any restrictions.

2. Mr. Hughes has now decided that any persons *bona fide* of the classes mentioned above desirous of visiting Australia will be admitted to the Commonwealth, provided they are in possession of passports from the Indian Government, sufficiently identifying them, and specifying the purpose and probable duration of their visit. Such documents will be accepted by this Government as entitling the holders to freely enter and pass through Australia, the only condition being that the passports shall be examined at the first port of call.

3. On arrival in the Commonwealth the education test prescribed by the Immigration Restriction Act will in these cases not be imposed, and such persons will be permitted to land without restriction, but in the event of their wishing to stay longer than twelve months, an application for a certificate of exemption for the desired term should be lodged before the expiry of such term, and the reason for such exemption stated. It must, of course, be understood that in any such cases none of the rights of the Government of the Commonwealth under the Immigration Restriction Act are to be considered abandoned, and that, should it be found that this concession is being abused, the practice will be subject to review at any time.

4. An undertaking will be required from all such persons to advise the Customs officer at the port of departure when they are about to leave the Commonwealth.

5. I shall be glad if your Excellency will be so good as to communicate the contents of this dispatch to the Viceroy of India, and ask Lord Curzon to advise your Excellency whether arrangements can be made in India accordingly. If there is no difficulty on this point, my colleague's proposals might take effect from an early date, say 1st October next. The Indian Government might take the necessary steps to give the requisite publicity to the matter at the seaports and principal towns of India.

6. It is hoped that this exemption will be the means of promoting intercourse and improving trade relations between the Commonwealth and the great Indian Empire.

The next letter is from the Viceroy and Governor-General of India to His Excellency the Governor-General of Australia. It is as follows:—

My Lord,

The Government of India have received with much pleasure the intimation conveyed in your Excellency's letter of 18th August, 1904, that the Government of the Australian Commonwealth have decided to so far relax the provisions of the Immigration Restriction Act as to permit Indian merchants, students, and tourist travellers to visit Australia under passports granted by the Indian Government. I have the honour to ask you to convey to your Ministers our cordial acknowledgments for this valuable concession, and for the sympathy it evinces with the wishes and feelings of the people of India. We cordially concur with your Ministers in hoping that this exemption of the educated classes of Indians from the restrictions imposed on ordinary immigration will result in more frequent intercourse, and in an improvement of trade relations, to the mutual advantage of both countries.

2. In accordance with the suggestion made in paragraph 4 of your letter, the necessary steps have been taken to make known throughout India the relaxation of the present regulations conceded by the Commonwealth Government, and instructions have been issued with the object of securing that the privilege is granted only to those to whom it is intended to apply. We have arranged to bring the regulations for the grant of passports into effect from 22nd October.

3. Your Excellency's recent participation in the government of India must make it no less gratifying to you than it is to me to have been the means of communicating to our Indian fellow subjects this evidence of regard for their interests felt by the Australian people.

There is attached a form which contains the requisite particulars which the intending immigrant has to supply. They are—

Name and father's name (in English or vernacular); caste or clan; residence (*a*) town or village; (*b*) district or State; profession or business; age; distinctive marks (for male travellers only); purpose of visit (to be given in full detail); probable duration of visit; port of embarkation; members of the applicant's family accompanying him, and to be included in the passport; (*a*) names; (*b*) ages; (3) relationship.

These particulars have to be indorsed by a magistrate or political officer. I think it is a most singular action for any Government in Australia to take without consulting Parliament.

Senator GRAY.—A splendid action.

Senator PEARCE.—That is a matter of opinion. It seems to me to be an extraordinary reversal of the policy of our Immigration Restriction Act, and it should not have been taken by any Government without consulting Parliament. If the session were not so near to its close, I should certainly table a motion expressing the opinion of Parliament that the action of the late Government should be reversed.

Senator WALKER.—The honorable senator would not succeed.

Senator PEARCE.—I should succeed, unless this Parliament has altered its opinion with regard to the Immigration Restriction Act.

Senator DRAKE.—That would be a vote of censure on the late Government.

Senator PEARCE.—I do not care whether it be a vote of censure on all the Governments that ever existed. I am not going to alter my opinion on this subject. We have to remember that the class whom

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it is proposed to admit is the very trading class to which the people of Australia object. They are often called Afghans, but as a matter of fact they are Sikhs under the Indian Government. These hawkers are the very people who have been most strenuously objected to.

Senator McGREGOR. — This relaxation does not admit them.

Senator PEARCE. — Certainly it does. Are they not merchants?

Senator McGREGOR. — They could not come here and hawk under this exemption.

Senator PEARCE.—They could come as merchants. They have not even to apply to our Government to *vise* their passports. It is the Indian Government that has to do that.

Senator GRAY. — Cannot the honorable senator trust the Indian Government?

Senator PEARCE.—No, I cannot trust them in this matter, because the Indian Government do not take the view that I take of the immigration of coloured people. They are not concerned with keeping Australia white. They are concerned with a black country, and quite naturally they are friendly towards the natives. So indeed they ought to be. But our desire is to keep the black races out of Australia. In that policy we have not the sympathy of the Indian Government.

Senator PLAYFORD.—Surely the honorable senator would allow an educated Indian gentleman to travel and see the place, or an Indian merchant to have a look round and buy our produce.

Senator PEARCE.—The honorable senator knows that it was not necessary to have any relaxation of the Immigration Restriction Act to allow that to be done. The Act itself provides for exemptions in such cases. I have it before me. Paragraph *h* of section 3 exempts the following persons, amongst others:—

> Any person possessed of a certificate of exemption in force, for the time being, in the form in the schedule, signed by the Minister or by any officer appointed under this Act, whether within or without the Commonwealth.

Then section 4 provides that—

> A certificate of exemption shall be expressed to be in force for a specified period only, and may at any time be cancelled by the Minister by writing under his hand.

Senator PLAYFORD. — That is only to facilitate the working of the Act.

Senator PEARCE.—I think it goes a long way further than that. Some time ago an Indian prince visited the Commonwealth, and travelled under that exemption. Merchants have also been here.

Senator DRAKE.—They would come under paragraph *l*.

Senator PEARCE.—Not necessarily. A number of exemption certificates have been issued. To my knowledge, several Indian merchants have travelled in Australia under that provision. Some time ago questions were asked as to a certain Indian merchant who was travelling with his son. Is it not a matter of fact that Ministers have freely availed themselves of this power to issue certificates of exemption to Indian merchants? They have done it before, and would do it again. But now they have handed that power over to the Indian Government. That is what I object to. While the power was held by the Commonwealth Government it could be safeguarded, but now it has been handed over to a Government that is not in sympathy with our White Australia policy.

Senator Sir WILLIAM ZEAL.—Surely that is carrying the White Australia policy to an inordinate length.

Senator PEARCE.—I am concerned to have it carried out to the full length that is necessary to secure a White Australia.

Senator Sir WILLIAM ZEAL.—Would not the honorable senator allow a traveller to come here?

Senator PEARCE.—Certainly; and he could come under the provisions of the Act. But the exemption now allowed is too wide altogether, because it allows the Indian Government to let in a class that has been most objectionable—the Sikh hawkers, who go about frightening women in remote parts of the country.

Senator McGREGOR.—Oh, no.

Senator PEARCE.—Senator McGregor himself told us some time ago that this was the class that was objected to.

Senator McGREGOR.—Certainly; but that is not the class that is to be allowed to come.

Senator PEARCE.—The honorable senator told us how these Sikhs appeared at remote farm-houses striking terror into the women and children. They were merchants from India.

Senator WALKER.—The merchants are very different people.

Senator PEARCE.—The hawkers belong to the merchant caste. We know that trades in India are run by castes; and whether a man peddles with his pack, or runs a wholesale warehouse, he is of the merchant caste.

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They are all regarded alike by the Indian Government.

Senator Sir William Zeal.—How would the honorable senator like it if he wished to go to India, and were prevented?

Senator PEARCE.—If the Indian Government wished to keep that country black they would be justified in excluding me. My great objection is that this exemption gives to the Indian Government the administration of the exemption portion of the Act. I must again express my surprise at the change. I feel sure that if Parliament had been aware of it a protest would have been made. Of course, I can quite understand the attitude of honorable senators opposite. They do not want to have any Immigration Restriction Act. They welcome any weakening of the Act as an instalment towards the free access of Indians and other coloured persons into the Commonwealth.

Senator Sir William Zeal.—I wonder at so enlightened a man so expressing himself.

Senator PEARCE.—I have never hidden my light under a bushel on this question. I have never qualified my opinions. I have always stood for a rigid observance of the Act, and for the absolute exclusion of all coloured races from Australia. I sav that this new policy is a distinct weakening of the principle of the Act. I enter my protest against it, and I am only sorry that the late stage of the session renders the protest ineffective.

Senator McGREGOR (South Australia).—Senator Pearce is unnecessarily alarmed. The honorable senator makes no distinction between an immigrant and a visitor. He should understand that the intention of the late Minister of External Affairs was to save trouble to both visitors and the officers of the Commonwealth, by getting the work done in India before the visitors came out here. Under the system adopted, a visitor comes armed with proper credentials, which have only to be shown to the accredited officer in the Commonwealth to secure his admission. He may, after he is admitted, visit such places in the Commonwealth as he pleases, and if he desires to remain longer than he at first proposed, he has to apply for a renewal of his credentials. It was never intended, as every honorable senator ought to know, that this provision should apply to people coming to Australia for the purpose of carrying on their ordinary avocations as hawkers, labourers, mechanics, or anything of that kind. The intention was where visitors were concerned, to make the administration of the Act as easy and as agreeable to both parties as possible, without in any way abrogating the intention of the measure.

Senator Turley.—It makes it very easy for the visitor.

Senator McGREGOR.—If we have no objection to a man looking at our country, why should we make it difficult for him to do so? The persons to whom this provision will apply are not immigrants in any sense of the word, and there is therefore no necessity to treat them as immigrants.

Senator PULSFORD (New South Wales).—I believe I am correct in saying that the proposal outlined in the correspondence which has been read originated with the Deakin Government, and was afterwards carried into effect by the Watson Government. I believe that the arrangements made are within the provisions of the Act, and they constitute a business-like proposal. I can imagine that honorable senators who have strong convictions with regard to the inadvisability of the immigration of coloured aliens into the Commonwealth are still anxious to carry out their views with the least possible annoyance to the people of Asia. In making this arrangement Mr. Watson rose superior to the prejudices of many of his followers. He and the members of his Cabinet proved themselves to be possessed of some statesmanlike ideas. I direct attention to the fact that the arrangement made has created a very good impression in India, in other parts of Asia, and in Japan. That is worth winning for Australia, when it has been obtained by what is practically no concession at all under the law.

Senator STEWART (Queensland).—I observe that a sum of £2,000 is asked for the printing and distribution of the *Commonwealth Gazette*. It appears to me that the expense incurred in connexion with the *Commonwealth Gazette* should be debited to the Department of Home Affairs rather than to the Department of External Affairs, as it chiefly deals with matters within the Commonwealth. There is another item of £500 set down for the printing and distribution, including postage, of the Commonwealth Statutes to States Governments. I notice that last year £356 was spent on this item. That seems to me to be an exceedingly large sum for the printing and distribution of six sets of the Commonwealth Statutes.

Senator Sir Josiah Symon.—A number of copies are sent to each State Government.

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We have been asked for more, and have usually declined.

Senator STEWART.—Will the honorable and learned senator explain how the expense in connexion with the *Commonwealth Gazette* happens to be stated under the heading of the Department of External Affairs?

Senator Sir JOSIAH SYMON.—That is purely arbitrary. The Department of External Affairs has correspondence in relation to all those matters which come under the Chief Secretary's Departments in the various States, because it has so far been the Department presided over by the Prime Minister.

Senator DOBSON (Tasmania).—I desire to draw the attention of the Attorney-General to the item of £100 for "Temporary assistance," and to the following item:—"Incidental and petty cash expenditure, £200." It appears to me to be a very bad policy to set down in connexion with every Department two items of this nature. It is like telling the officers of each Department that, if there should be a little rush of work they need not tackle it, as there is a vote for temporary assistance which can be drawn upon. Then there is the item for contingencies and incidental expenditure. In the Estimates presented to the State Parliament of Tasmania, no item is put down for temporary assistance. If there should happen to be a rush of work in any Department, then overtime may have to be paid, but the officers of Departments are not invited to believe that they should not endeavour to cope with it. If they are asked to work overtime, a claim for payment for overtime is considered. I have taken out a few figures from these Estimates, which I submit to the Committee. There is asked for temporary assistance in connexion with the Department of External Affairs for the Administrative Staff, £100; Secretary, £25; Crown Solicitor, £40; then for the High Court, £40; and in connexion with the Home Affairs Department, Administrative Staff, £300, with £400 for incidental expenses; Electoral Department, £800 for temporary assistance; Public Service Commissioner, £500; Public Works Staff, £180; and then, when we come to the Treasurer's Department we find the item "temporary assistance" down, and no figure opposite to it. Our economical friend, Sir George Turner, apparently knows what the officers of his Department are doing.

Senator Sir JOSIAH SYMON. — We are not dealing with Sir George Turner's Department.

Senator DOBSON.—I am sure that the honorable and learned senator does not desire that I should make the same speech on every page of the Estimates. I am directing attention to the practice of putting down these votes for temporary assistance. For the Auditor-General's Department there is £100 put down; for the Customs Central Staff, £250; £500 in one sub-division, and £425 in another, whilst for the Customs Department in New South Wales, £1,000 was voted last year, and £750 is down for this year. These figures give a total of between £4,000 and £5,000 set down for temporary assistance in connexion with the few Departments to which I have referred. In addition, there are votes for contingencies and incidental petty cash expenses. I undertake to say that money could be saved in this direction. Instead of inviting every clerk in every Department to note the fact that a fund is voted by Parliament for the Department to go and come upon, he should be given to understand that he and his fellows are expected to do the work of their Department.

Senator Sir JOSIAH SYMON.—So they are; but if there are not sufficient officers to cope with the work, temporary assistance must be engaged.

Senator DOBSON.—If the honorable and learned senator has studied the politics of Victoria, he will know that great conflicts have arisen in connexion with these temporary officers, some of whom in this State have been kept on in this way for twenty years.

Senator PEARCE.—They cannot be kept on in that way under the Commonwealth Public Service Act.

Senator DOBSON.—I am aware that we have done better; but if we are to provide £4,000 or £5,000 for temporary assistance, and petty cash expenses, the Senate will not know how many temporary officers are being employed, and how the money is being spent.

Senator Sir JOSIAH SYMON.—Honorable senators will be able to ascertain, and can even get the names of temporary officers, if they so desire.

Senator DOBSON.—I direct the honorable and learned senator's attention to what I think is a grave mistake. I can understand a vote of £800 for temporary assistance in connexion with the Electoral Office. That may be very necessary when

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an election is coming on. I direct attention again to the Department of our economical Treasurer, Sir George Turner. There is no vote down under his Department for temporary assistance.

Senator McGREGOR.—Because it has not been necessary in his Department.

Senator DRAKE.—Hear hear; only £2 was spent on temporary assistance for that Department last year.

Senator DOBSON.—But even the Audit Department and the Crown Solicitor's Department have their little funds on which they may draw for temporary assistance. There is not time to deal with the matter effectively this session; but I shall be prepared next year to test the feeling of the Committee on the subject by a division. These votes are in my opinion a mistake. I can understand a vote for £500 for temporary assistance for the Department of the Public Service Commissioner, as he had his classification scheme to prepare, and the machinery of his Department to put in order. But we have arrived at a time when there should be no such item on the Estimates, and when a clerk at £200 ought to be able to do the work allotted to him. In the case of the Patent Office, a large sum is provided, which to some extent I can understand. I had the pleasure of calling at the Patent Office and asking the Chief Officer what was the cause of the delay, and he gave me some good reasons. In the initiation of a Department of the kind there is enormous work, and there had been some difficulty with New South Wales; and, altogether, I could understand extra temporary assistance being required. But in the case of the Audit Office, the Treasurer's Department, the Attorney-General's Department, and the Crown Solicitor's Office, there has been great abuse of the system.

Senator Sir JOSIAH SYMON.—The eloquence of Senator Dobson culminated when he reached the Crown Solicitor's Office.

Senator DOBSON.—That stirred up the Attorney-General!

Senator Sir JOSIAH SYMON.—Well, it brought me to my feet. But I can tell the honorable senator what, within my own knowledge, has occurred in that office. There was a great and sudden rush of work about two months before the Estimates were dealt with, and, as it was impossible to then make arrangements for another clerk, temporary assistance had to be brought in. Are we to be prevented from doing the work of the office?

Senator DOBSON.—Certainly not.

Senator Sir JOSIAH SYMON.—Then how are we to accomplish the work?

Senator DOBSON.—Did the Attorney-General see whether any of the scores of clerks in the next room were available to afford some help?

Senator Sir JOSIAH SYMON.—There are not scores of clerks in the Crown Solicitor's Office, which, as a matter of fact, is entirely undermanned.

Senator DOBSON.—I do not say there were scores of clerks doing nothing in the Crown Solicitor's Office, but were there not, for instance, clerks available in the Defence Department, next door, or in some other Department?

Senator Sir JOSIAH SYMON.—How could I go into the Post Office, or any other Department, to see whether there was a clerk who happened to have an hour to spare?

Senator DOBSON.—It might be just as well to go to some other Department, as to go outside for assistance.

Senator Sir JOSIAH SYMON.—If that is what Senator Dobson means, I have nothing more to say. I am not going round, nor am I going to allow the clerks to go round to spy out whether there is a clerk elsewhere who has half-an-hour to spare.

Senator DOBSON.—I do not suggest that the Attorney-General should "spy," or allow any one else to "spy," but I say that the honorable and learned gentleman should regard himself as the trustee of the taxpayer.

Senator Sir JOSIAH SYMON.—And so I do.

Senator DOBSON.—I must ask the Attorney-General not to put nasty words into my mouth; I do not want to "spy" on anybody.

Senator Sir JOSIAH SYMON.—If the honorable and learned senator thinks the term I used disagreeable, I at once withdraw it.

Senator DOBSON.—The Attorney-General has a happy nack of laughing matters down but I think he makes a mistake.

Senator Sir JOSIAH SYMON.—I withdraw the expression at once. I would point out, as Senator McGregor interjected, that the money is not spent if it is not wanted.

Senator DOBSON.—I have heard that argument before. We should wait until the money is wanted before we vote it.

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Senator Sir JOSIAH SYMON.—In one Department, last year, £100 was voted for temporary assistance, and how much does the honorable and learned senator think was spent?

Senator DOBSON.—I do not know.

Senator Sir JOSIAH SYMON.—Only £13.

Senator DOBSON.—That shows the folly of the system.

Senator MULCAHY. — The fact tells against the contention of the Attorney-General.

Senator Sir JOSIAH SYMON.—If the fact does tell against me, I am content. In the Treasurer's Department, last year, £100 was voted for temporary assistance, and only £2 was spent. These sums are a mere provision; we cannot ask Parliament for 10s. for an extra clerk. At the same time, I thoroughly agree that it is desirable——

Senator DOBSON.—The Attorney-General has been a long time discovering that.

Senator Sir JOSIAH SYMON. — The principle to which Senator Dobson draws attention is excellent. When it is found that the necessity for assistance becomes permanent, an extra permanent clerk should be provided for on the Estimates. But that principle cannot be observed in the inauguration of new branches, such as the Patent Office or the Electoral Office. I hope the time may arrive when the desire of Senator Dobson may be carried into effect.

Senator DOBSON (Tasmania). — The Attorney-General proves up to the hilt the exact position which I took up. The honorable and learned gentleman has instanced two Departments in each of which £100 was voted for temporary assistance, and only small sums were spent. Could anything be more stupid than such a system of voting money in advance? Why are we going through the Estimates? To try to combine efficiency with economy, and to save the taxpayers' pockets, if possible. The two items quoted by the Attorney-General show, I was going to say the rotten, but, at any rate bad system that is in vogue.

Senator STEWART (Queensland).—I should like to draw attention to the division which deal with New Guinea. I observe from the newspapers that the Government intend to send Mr. Atlee Hunt to New Guinea during the recess to instruct the magistrates in their duties. That is a most excellent idea. While Mr. Hunt is there he might make inquiries as to the administration of justice in the Possession during the past few years. We have had very serious allegations made in one form or another, and it is extremely desirable to ascertain whether there is any foundation in fact for the charges. It has been stated that an individual, or individuals, were arrested without warrant, tried on trumped-up charges, and dismissed without any definite decision being arrived at, and that when the records of the Court were applied for they were not in existence. If that be true, it appears to me to disclose a state of affairs which requires careful examination. The statements may be either true or untrue, but the fact that a charge of this kind was made publicly by a person who says that he is prepared to substantiate it is a circumstance which ought to influence the Government in trying to get the very best information on the subject. During the recess the Government ought to afford such members of the Federal Parliament as are desirous to make themselves better acquainted with New Guinea an opportunity to visit the Possession, for the administration of the affairs of which we are now responsible. There is a problem of very great importance awaiting solution in New Guinea. There are over half-a-million coloured people there, with a very small number of whites, and, as we have assumed responsibility for those people, members of the Federal Parliament ought to be given some opportunity to see the conditions of life in the Possession. By such means we shall be assisted in coming to a conclusion as to the best method of government to be adopted in the Territory. I should like the Attorney-General to say whether the Government will give Mr. Atlee Hunt the power to make investigations as to the charges I have referred to, and also whether the Government would be prepared to assist members of the Federal Parliament to visit the Possession?

Senator WALKER (New South Wales).—I quite indorse the views expressed by Senator Stewart as to the desirableness of members of the Federal Parliament having an opportunity during the recess to visit New Guinea.

Senator GRAY.—That would be a great expense.

Senator WALKER.—Quite so; but I may suggest that if we contribute only £20,000 per annum for the assistance of the Possession, it is important not to deprive the people there of the income now de-

rived from the duties on spirits and wines. Neither should we deprive them of the revenue which they now obtain from selling land, and which is devoted to the improvement of the roads.

Senator GIVENS.—The honorable senator is now discussing the Papua Bill.

Senator WALKER.—I am merely drawing attention to the fact that if legislation which some honorable senators apparently desire be carried into effect, we must expect a demand for an increase of the subsidy of £20,000.

Senator Sir JOSIAH SYMON.—I am very glad Senator Stewart approves of the proposed visit by Mr. Atlee Hunt. That visit, however, may, though I do not say it will, depend, to some extent, on whether the Papua Bill becomes law, as I hope it will. I am not quite certain whether, in the event of that Bill not becoming law, the same necessity for a visit by Mr. Atlee Hunt will arise. The idea is that Mr. Hunt should assist in explaining the new system of government to the officials, and give what help may be necessary to bring it into operation. At any rate, if the visit is paid, I am quite sure it will be enlarged so that the results may be useful to us in every possible way, including that to which Senator Stewart has referred. I am not quite sure that the Government would fall in with the idea of affording facilities for a visit by honorable senators. On the other hand, information on the subject is no doubt necessary, and probably much could be obtained as to how to get there, and what to do when there, from Senator Smith, who undertook an exploration which has been of great value, not only to himself, but to the Senate. I shall make inquiries into the matter.

Senator GIVENS (Queensland). — I should like to have some information from the Government as to the reasons which induced them to grant an extra sum of £6,000 for the mail subsidy to the Pacific Islands to one firm, without calling for tenders in the usual way? I also desire to know why Sydney is made the port of call for the mail service, when it is not the nearest point in the Commonwealth to the places to be served. I wish to know whether it is really a mail service, or whether it is not given for a mail service as a mere subterfuge to cover some other idea? It appears to me that, to a large extent, it must be a subterfuge, seeing that we are paying for a mail service from Sydney to New Guinea. We are sending the mails three-fourths of the length of the eastern coast of Australia, when we have, in Queensland, ports like Rockhampton, Gladstone, and Brisbane, which are infinitely nearer to New Guinea, and also considerably nearer to the New Hebrides and other places. In my speech on the second reading of the Bill, I pointed out that Brisbane, Rockhampton, Gladstone, Maryborough, Bundaberg, and other portions of Queensland are connected with the rest of the Commonwealth by a direct train service. If it is desired to subsidize a mail service to New Guinea, or to the New Hebrides, and the other islands, undoubtedly, it is the duty of the Commonwealth to see that the service starts from the State which is in closest proximity to the ports to be served.

Senator MULCAHY.—What port does the honorable senator say it should start from —Rockhampton?

Senator GIVENS.—I am not particular as to whether it starts from Rockhampton or from Brisbane. If it can be shown that Brisbane is nearer or more convenient than Rockhampton, it should start from the former.

Senator GRAY.—How could boats of the tonnage that would be required go up to Rockhampton?

Senator GIVENS.—That is a peculiar idea, seeing that very much larger boats than any of those which would be required go to Broadmount, which is the deep water port of Rockhampton. If that objection applies to Rockhampton, it does not apply to Gladstone, which is, comparatively speaking, within a stone's throw of Rockhampton; nor does it apply to Brisbane, to which vessels much larger than those used in this trade go every week.

Senator MULCAHY.—Is there no special reason for the service being taken to Sydney?

Senator GIVENS.—Of course, there is a special reason, and that is what I wish to elicit.

Senator GRAY.—Has it not been so for years and years?

Senator GIVENS.—It cannot have been so for years, because the Commonwealth service was only initiated comparatively recently.

Senator PULSFORD.—Is it not true that Sydney has been the centre of the Pacific Islands trade for about fifty years?

Senator GIVENS.—I do not know. According to Senators Gray and Pulsford, the mail service is a mere subterfuge,

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because it is really a trade subsidy. Suppose that Tasmania were much nearer than Melbourne to some islands in the south, how would the representatives of Tasmania feel if the mail service were to go right past their door to Melbourne? Undoubtedly they would protest in the strongest possible way against their State being overlooked and overridden.

Senator PULSFORD.—Queensland is not overlooked; some of these vessels are running from the Queensland ports.

Senator GIVENS.—They do not run from Queensland ports, but from Sydney except in the case of a small service from Thursday Island round to New Guinea.

Senator PULSFORD.—Why ignore that?

Senator GIVENS.—I shall deal with that case in a few minutes.

Senator DRAKE.—But the Prime Minister has said that two out of the three services will call at Brisbane, and that he will take the other one into consideration.

Senator GIVENS.—What special advantage is it to get that promise if we have not a pledge that a fair deal will be given to us? I was aware of the Prime Minister's statement before it was quoted by Senator Drake; but it does not satisfy me, nor do I think it is likely to satisfy any Queensland senator who has a free hand. If this is a special trade subsidy, let me point out that under the Constitution Act we are prohibited from giving to any one State a right or privilege which is not given to every other State. We have no right to subsidize the trade of one particular State.

Senator GRAY.—Does the honorable senator mean to say that a steamer should go right round the Commonwealth from port to port?

Senator GIVENS.—If it is a trade subsidy, we have no right to give a bounty.

Senator Sir JOSIAH SYMON.—It is not a bounty.

Senator GIVENS.—Will the Attorney-General tell me that it is a payment for mail services pure and simple?

Senator Sir JOSIAH SYMON.—Yes; why not?

Senator GIVENS.—I am satisfied with that explanation, and will deal with the matter from that point of view.

Senator Sir JOSIAH SYMON.—We must take all things into consideration. If we have a mail to a thinly populated part inland we do not pay for it simply the amount which is received in postages on the letters, but a great deal more.

Senator GIVENS.—We only pay what the service is worth, and we call for tenders, and the contractor has to make up any deficiency by taking passengers and goods to the public. Will the Attorney-General tell me why this mail service pure and simple must go to Sydney, instead of to the nearest port which has railway communication with the rest of the Commonwealth—why it should not go by the shortest and fastest route?

Senator PULSFORD.—Make the payment £50,000, and then they could, I dare say.

Senator GIVENS.—That would be all right for Sydney and Burns, Philp, and Company, but it would be a very bad business for the Commonwealth. I notice these continual attempts to get at the rest of the Commonwealth for the benefit of a few large ports. Sydney has just as much right as any other port in the Commonwealth to be made the terminal port. When the conditions are in favour of Sydney rather than in favour of other places she has a similar right, but when the conditions are all in favour of other ports undoubtedly they should get a fair deal from the Government. It is contemplated by the Consitution that the Senate should specially safeguard the interests of the States. It is the special province of the representatives of Queensland to see that its interests are not overlooked or overridden for the benefit of any other State, as appears to have been done. I hold in my hand a map, which has been issued by Burns, Philp, and Company to show their various services. A glance at the map is sufficient to show honorable senators that Rockhampton, or Gladstone, or Brisbane is very much nearer than Sydney to the New Hebrides. Why are we to have a mail service from Sydney right round to New Guinea, seeing that we are already paying for a mail service right up to Thursday Island, when only a continuation of the latter service is required? Could any more fatuous argument be put forward by the Attorney-General than to say that this is a mail service? This map shows that the argument that reefs and islands intervene between Brisbane and the New Hebrides, and so prevent a direct service, which would be shorter than the one from New Hebrides to Sydney, is all bunkum. According to the map there is neither a reef nor an island in the direct track between Brisbane and the New Hebrides, or between Rockhampton and the other places I have named. Therefore if it is a

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mail service pure and simple there can be no logical reason why it should not start from one of the southern ports of Queensland. Again, it has been put forward as an excuse that Burns, Philp, and Company are doing valuable work in colonization over there—that they are settling the islands in the New Hebrides and other places. The New Hebrides are not Commonwealth territory, nor are they British territory. We in the Commonwealth have no right to subsidize a company for the development of territory other than our own while we are unable thoroughly to settle our own country. If Burns, Philp, and Company have valuable interests there, let them colonize if they desire to do so, in their own way, at their own cost, but do not let them beg and whine to us to get our money to do it for them.

Senator PULSFORD.—Nonsense! What does the honorable senator mean by that?

Senator GIVENS.—Exactly what I say; neither more nor less. They are coming to us and saying, "Give us this increased subsidy, and we will settle our islands." That excuse, put forward by those who are favorable to the subsidy, is a piece of utter "flam." It is most indefensible to ask us to find money for colonizing territory other than our own, when we are unable to settle colonists on our own lands. It is the business of Australia to retain its own citizens, and to develop its own resources, rather than to send people over the sea to develop the New Hebrides. I do not propose to say more on this matter until I get some information from the Attorney-General. Probably he will be able to put a different complexion upon it, and to show us that the proposed subsidy is justifiable. I shall wait until he does so. But until that is done, I am not content to allow this item to pass without emphatic protest. I intend to move that it be reduced by £6,000, which is the amount of the increased subsidy. If that is carried the subsidy will remain exactly where it has been for a considerable time. It will not affect the existing service; it will not interfere with any arrangement already made; but it will allow the Government time to review the decision, and to make whatever arrangements of a more equitable character may be possible. I do not intend to do what I had originally purposed, to move that the whole sum be wiped out of the schedule, because I do not wish to capsize existing arrangements or to inconvenience people who depend upon them. But I hope that the Committee will agree with me that the proposed arrangement is not an equitable one, and that the amount ought to be reduced by the sum which I have named. I therefore move—

That the House of Representatives be requested to leave out the item "Improved New Hebrides, Solomon, and Norfolk Islands services, new services to Solomon, Gilbert, Ellice, and New Guinea, £6,000."

Senator STANIFORTH SMITH (Western Australia).—I think that it would have been better, as a matter of party policy, if the Government had called for tenders for this extended mail service. But I believe—in fact I feel sure—that the result would have been exactly the same, and that if we require a good service only one company would tender—that is, Burns, Philp, and Company.

Senator GIVENS.—Clunn and Sons would have given us a tender.

Senator STANIFORTH SMITH.—Clunn and Sons have only one boat of 165 tons, with a 75 horse-power oil engine! It would have been really like my honorable friend, Senator Pearce's proposal to have a referendum in New Guinea, as to whether the white inhabitants desire prohibition. We know that they would all have said that they did not want prohibition. Calling for tenders for this mail service would have had the same result, because no shipping firm in Australia that I know of could spare six ships for this work. Even if some company were willing to spare them, any one who has any knowledge of island trade knows that it would have been impossible to carry on the service on a £12,000 subsidy, unless they had purchased land on the different islands, and had stores, supercargoes, and the whole of the paraphernalia ready. It would have been impossible for any other company to carry on without losing an enormous sum of money. Therefore Burns, Philp, and Company would have been the only firm to tender for the service. I think that the proposal now made is undoubtedly advantageous to the Commonwealth. I do not care anything about any shipping firm. That consideration has nothing to do with this Parliament. The question we have to consider is—is this proposal to the advantage of the Commonwealth? I intend to look at it purely from that point of view. The proposal was not initiated by the present Government. It was initiated by the Deakin Administration, at the instigation of Mr. Woodford, the Government Resident at the Solomon Islands, and Captain Razon, the representative of the High Commissioner of the Pacific in the New

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Hebrides. In consultation with them, this proposal was formulated. Then it was adopted by the Watson Administration, who went fully into the subject. To show their *bonâ fides*, they put £12,000 on the Estimates in order to carry out the services of which they approved.

Senator GIVENS.—That did not adopt it.

Senator STANIFORTH SMITH.—My honorable friend will not deny that the Watson Government put £12,000 on the Estimates.

Senator GIVENS.—It was not decided at the time they went out of office.

Senator STANIFORTH SMITH.—If my honorable friend will read the speech of Mr. Watson with regard to this policy, he will see that that gentleman spoke in strong commendation of it. Mr. Watson used these words—

To my mind it is essential that we should keep up communication with these islands. They are important to us from a strategic point of view, and from a trade point of view there is much to be said in favour of the proposed vote.

That is the vote of £12,000. I think therefore that my honorable friend will see that the Watson Administration, and the Deakin Administration before them, approved of this proposal.

Senator PEARCE.—Can the honorable senator show that the Watson Government approved of this amount of money being given without having an agreement laid before Parliament?

Senator STANIFORTH SMITH.—I have shown that the Watson Government put £12,000 on the Estimates, and that the Prime Minister in that Administration warmly supported the item.

Senator PEARCE.—The point is as to the way in which it is carried out.

Senator STANIFORTH SMITH.—If it is merely a matter of detail, I am quite sure that the Government will see that in every way the interests of the Commonwealth are conserved. I thought the objection was not as to the details, but to the proposal to pay any subsidies to a line of steamers at all. The advantages of the subsidy are, first of all, that it provides a regular mail service. Then there is the advantage of retaining and extending our interests in the Western Pacific, so as to keep foreign powers from obtaining strategic bases close to our shores. I know that there is a difference of opinion as to that. I believe that some honorable senators, who are actuated by the very best intentions, so far as the Commonwealth is concerned, are prepared to see any foreign power come close into our shores, to monopolize the harbors in the islands contiguous to Australia, and to establish strategic bases and coaling stations there. But I am absolutely opposed to that view. I believe that it is a matter of extreme importance to Australia to use every means in our power to keep foreign nations from establishing strategic bases within striking distance of Australia.

Senator GIVENS.—What have strategic bases to do with this vote, which the Attorney-General says is purely for a mail service?

Senator STANIFORTH SMITH.—I am voting for the subsidy for the reasons which I have mentioned, and for another reason which I am about to give. That is, that we are building up a mercantile marine manned by white sailors—practically by Australians—who will be of immense importance to Australia in regard to our naval defence in the future. I do not think that we can adopt a policy that is more in the interests of the Commonwealth than to build up a mercantile marine belonging to Australia, manned by Australians; and if we have these six steamers as a result of this subsidy, it will be a stride in the right direction. Moreover, the trade of these islands is of immense importance. The value of our imports and exports from the Pacific Islands amounts to £1,000,000 a year. A subsidy of £12,000 a year to stimulate a valuable trade like that is in itself justifiable. We send out our manufactures to the Pacific Islands and in exchange we receive products such as cocoanut oil, which are the raw material of some of our industries. That trade is not only large, is not only increasing, but it is a trade which is peculiarly important to Australia, in that it stimulates our manufactures, and leads to a reciprocal trade in our exports. Having mentioned what I consider to be the value of this Pacific trade, let me consider for a moment the cost to Australia. The proposed subsidy works out at 1s. 4d. a mile. The distance covered by the service is 86,000 miles per annum. If we include the service which runs to Singapore, but which is not subsidized, the total service works out at 300,000 miles a year, or 10d. per mile. But I am taking simply the actual mileage covered by the subsidy, which, as I have said, works out at 1s. 4d. per mile. Germany and France are paying 4s. 9d. per mile in the Pacific, whilst we are now

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asked to pay 1s. 4d. per mile, and we insist on the employment of white labour, a condition which other nations do no impose. If we turn to other British lines, we find that the Peninsular and Oriental Company are being paid for a mail service 4s. 9d. per mile, whilst the Orient Company asked 4s. 7d. per mile, and refused to take up the service for less.

Senator TURLEY.—The honorable senator is referring to mail services.

Senator STANIFORTH SMITH.—This is a mail service, and, in addition, will carry out functions which in my opinion are infinitely more important than is the carriage of mails.

Senator GIVENS.—If it is a mail service, why does it not start from the nearest point?

Senator KEATING.—Is the cost to be debited to the Post and Telegraph Department?

Senator STANIFORTH SMITH.—No, to the Department of External Affairs. I do not consider that the carriage of mails to these islands is by any means the most important function which this service will perform. I think that Senator Higgs mentioned that Messrs Burns, Philp, and Company have large interests in the New Hebrides, and that in consequence they will benefit unfairly by this subsidy. It should not be forgotten that Burns, Philp, and Company have handed over to the Commonwealth their land in the New Hebrides. It could not be transferred to the Commonwealth, because those lands could not appear in the name of the Commonwealth of Australia, but the fact remains that they have been handed over for the use of the Commonwealth.

Senator GIVENS.—And they will involve us in endless disputes.

Senator STANIFORTH SMITH.—On these lands have been expended something like £25,000, and yet the company has not only handed them over to the Commonwealth as a free gift, but has undertaken to take out to the New Hebrides free of cost intending settlers, and their wives and families.

Senator MULCAHY.—To what extent do they propose to do that?

Senator STANIFORTH SMITH.—To the extent of any number that may please to go out. In view of these conditions, it seems to me that this is a contract which is exceedingly advantageous to Australia.

Senator GIVENS.—Why should all the services be to one State?

Senator STANIFORTH SMITH.—Senator Givens is wrong there. The Prime Minister has said that out of these five services, the boats connected with two, if not more of them, will call at Queensland ports.

Senator GIVENS.—He could not help himself with regard to those services.

Senator STANIFORTH SMITH.—I think Queensland will do very well if the boats connected with two of these services call at her ports. Victoria, Western Australia, South Australia, and Tasmania are getting nothing from this subsidy, whilst they will contribute equally with the other States to the expense involved.

Senator GIVENS.—If Western Australia possessed the nearest port from which the service could go it would be started from that port.

Senator STANIFORTH SMITH.—There is something in that contention, but it should be remembered that this trade was created, after many years of struggling, by Sydney. New South Wales at the inauguration of the Commonwealth, was actually paying a subsidy of £3,600 a year for the service to these islands, and for the Commonwealth now to take that service entirely away from Sydney would be unjust. In spite of the map which Senator Givens has displayed, I very much doubt whether the route from Brisbane to New Hebrides ports, like Vila and Havana, is any shorter than is the route from Sydney. If Senator Givens will consult the Admiralty Chart, he will find that dangerous reefs run out for a very long distance north of New Caledonia. Ships must give those reefs a wide berth, and that would increase the distance from Brisbane considerably. Queensland does not lose everything, because this subsidy will result in the accession of a considerable amount of trade to that State. Practically the whole of the trade with New Guinea, which is a considerable, and a growing trade is to be worked from Thursday Island, a Queensland port. The proposal under this subsidy is that a steamer shall call at all ports in New Guinea up to Woodlark Island, and shall come back *viâ* the same ports, bringing produce to a Queensland port.

Senator TURLEY.—That is only what is done now.

Senator STANIFORTH SMITH.—I understand that another service which is not

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subsidized, and which runs to Singapore and Java, and is likely to establish a very large trade, is going to make Brisbane a port of call. I therefore believe that Brisbane will benefit to a very large extent.

Senator TURLEY.—That is not a subsidized service.

Senator STANIFORTH SMITH.—That is so, but if it brings trade and commerce to Queensland ports it will be an advantage to that State.

Senator TURLEY.—But that has nothing whatever to do with this subsidy.

Senator STANIFORTH SMITH.—Very well, I say that Queensland practically monopolizes the New Guinea trade, and that is but just because Queensland was the first State to establish relations with New Guinea.

Senator GIVENS.—Queensland gets the New Guinea trade only because of her geographical position.

Senator STANIFORTH SMITH. — Queensland is entitled to the trade, because of her geographical position, and because she has opened up New Guinea. She is to get the trade by another line, I presume the line to the Solomon Islands, because, as I have before said, Queensland ports are to be ports of call for two out of the five proposed services.

Senator TURLEY.—Where did the Prime Minister say that?

Senator DRAKE.—In the House of Representatives. The honorable senator will find the reference at page 8156 of *Hansard*.

Senator STANIFORTH SMITH. — I think that it must be admitted that Queensland will get a fair share under this subsidy.

Senator GIVENS.—If there were half-a-dozen services to the old country passing Western Australian ports, and that State got the benefit only of two, the honorable senator would not be so well satisfied.

Senator STANIFORTH SMITH.—If Western Australia had opened up a trade, and had worked it for forty or fifty years, any proposal to take away that trade from her would be grossly unfair. Sydney opened up the trade with these South Sea Islands fifty years ago, and to take that trade away from Sydney now would be equally unjust.

Senator DRAKE.—The honorable senator might also point out that £3,600 of this money is transferred expenditure, is debited to New South Wales, and must be paid by that State.

Senator GIVENS.—I do not propose to deal with that transferred expenditure by my amendment.

Senator STANIFORTH SMITH. — In that case, New South Wales will not only pay one-third of this expenditure on a per capita basis, but £3,600 of it direct, and that is an additional reason why this trade should not be taken away from Sydney.

Senator GIVENS.—By my amendment I do not pretend to interfere with that £3,600.

Senator STANIFORTH SMITH. — Clunn and Sons, and Kerr Brothers have been mentioned, and while I admit that Clunn and Sons are highly reputable firms, and good traders, they cannot provide a service which would do all that we require. They have one little steamer of 160 tons, with a 75 horse-power oil engine.

Senator GIVENS.—How many steamers will Burns, Philp, and Company have in the New Guinea trade?

Senator STANIFORTH SMITH. — I am not prepared to say, but they have the *Moresby*, of 1,000 tons, the *Tambo*, which is a large boat, the *Titus*, and a very fair fleet of boats.

Senator GIVENS. — Was it necessary to lump these services together?

Senator STANIFORTH SMITH. — Perhaps it was not. But I say that Clunn and Sons could not have carried out this service. They looked for a subsidy of something approaching £1,000 a year, and, what is of more importance, they proposed to call only at Moresby and Samarai.

Senator GIVENS.—That is all that is required, and it would be a faster service.

Senator STANIFORTH SMITH. — I entirely disagree with Senator Givens on this point. If we wish to develop New Guinea, this service must call at places like Daru, Orikolo, Yule Island, Moresby, Cloudy Bay, and other places where there is excellent land for cultivation. Unless a steamer calls at these places, it will be absolutely impossible to develop them. It would be putting the money to a very poor use to subsidize a steamer which should only run to Moresby and Samarai, the political and commercial capitals of New Guinea. The land around Moresby is sterile, and unsuitable for cultivation, whilst Samarai is on a little island, and is the port of the goldfields. If it is desired to develop the plantations and the natural industries of New Guinea, we must subsidize a line of steamers which will call at various ports all along the coast. From that point of view, Clunn and

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Sons' proposal would not tend to the development of the Territory. I have said that, in my opinion, it would have been better to have called for tenders for these services. I am absolutely certain that the result would have been the same, but if that course had been adopted little rival traders could not have objected that they had had no opportunity to tender. I am satisfied that no other company in the Commonwealth could have placed six large steamers at our service for this purpose, and no company could possibly run such a service successfully that had not established stores on the various islands with representatives there to provide proper trading facilities, and supercargoes to conduct the trade as the boats called at the various ports. Burns, Philp, and Company is the only company that has established itself in this way, and though I know very little personally about the company, from what I have read with regard to the development of the Pacific, it is my opinion that if it had not been for Burns, Philp, and Company, our interests in the Pacific would not be as important as they are to-day. That firm has, I believe, maintained Australia's hold on islands subsequently annexed by Great Britain. Our interests in the New Hebrides have been conserved by their mail services, and also our interest in those lands which the firm have transferred to the Commonwealth.

Senator GIVENS.—The firm have not transferred those lands to the Commonwealth.

Senator STANIFORTH SMITH.—The firm have placed the lands at the disposal of the Commonwealth—we know they cannot transfer them, because the Commonwealth cannot accept them. The proposed subsidy amounts to 1s. 4d. per mile, as compared with the German subsidy of 4s. 9d. per mile, the French subsidy of 8s. 4d., the Peninsular and Oriental Steam Navigation Company subsidy of 4s. 9d., and the subsidy requested by the Orient Company of 4s. 7d. per mile. It is a small subsidy, which not only benefits us, so far as the mail services are concerned, but also benefits us in our trade, and in the maintenance of our interests and influence in the Pacific, in so far as it assists to prevent foreign powers establishing strategic bases close to Australia.

Senator McGREGOR (South Australia).—I am not much concerned with the subsidies or the amounts of the subsidies which are given to French, German, or other shipping companies for carrying on trade in the Pacific. I refuse to allow my mind to be influenced or prejudiced by the political actions or connexions of any member or director of the firm of Burns, Philp, and Company. I desire to look at the question from an Australian point of view; and I do not attach much importance to the question of whether the vessels start from Sydney, Melbourne, Brisbane, or elsewhere.

Senator STEWART.—That is a matter of some importance, all the same.

Senator McGREGOR.—It is a matter of great importance, but I hope that the Government, when this vote is passed, will see that the terms of the agreement are adjusted in the best interests of the Commonwealth. Consideration should be shown to a firm like Burns, Philp, and Company, because they can do this trade much more economically, conveniently, and efficiently than could any other firm at the present time.

Senator GIVENS.—How does the honorable senator know that?

Senator McGREGOR.—I shall tell Senator Givens. Burns, Philp, and Company have their business established in all the places which have been mentioned. Any other company entering into competition would have to go to all the initial expense which Burns, Philp, and Company met years ago. The six vessels necessary for a trade of this description will cost about £15,000 per annum to work, and those vessels have to be manned, provisioned, coaled, and repaired in Australia. All this means an expenditure in connexion with the Pacific trade of from £100,000 to £150,000 per annum within the Commonwealth. Under the circumstances, is it so very unreasonable for the Commonwealth to spend £12,000 in the encouragement of a trade which will mean so much to the Australian people, not only in wages, but in the return from the sale of produce, provisions, and so forth? We must recognise that a trade will be built up between Australia and New Guinea, and the islands.

Senator Sir JOSIAH SYMON.—All for the benefit of Australia.

Senator McGREGOR.—That is so. If settlement be brought about in the islands, we shall exchange finished products for their raw materials. At the present time the trade between Australia and those particular portions of the southern Pacific amounts to over £1,000,000 per annum. Are we then to haggle about an expenditure of £12,000?

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Senator Sir JOSIAH SYMON.—How else are we to help our trade?

Senator McGREGOR.—And how are we to otherwise build up a mercantile marine, and, ultimately, as we hope, have a Naval Force of our own? I hope the day will come when Australia, in addition to having a Citizen Defence Force, will also have an efficient Naval Force; and, if we wish to realize such a hope, we must do something towards that end at the present time. We must not forget that all we are asked to do now is to vote the £12,000. The agreement will be drawn up by the Government, in whom we ought to have some confidence. If there be responsible government, then let the Government be responsible for any agreement they may make, always, of course, allowing to them some latitude. We cannot expect the Government to make any agreement before they know what amount is at their disposal. I hope that honorable senators will regard this matter from an Australian point of view, and vote for the retention of the item. I do not blame honorable senators for exercising all their influence to get vessels to call at every possible port, but we ought first to vote the money, and allow the Government to make the most beneficial and economical arrangement possible for Australia.

Senator GRAY (New South Wales).—I should like to compliment Senator McGregor on the able and business-like speech he has just delivered on this subject.

Senator McGREGOR.—I must be wrong!

Senator GRAY.—Senator McGregor will give me credit for never bandying unmeaning compliments. I got up mainly to reply to the remarks of Senator Givens, who is loyally supporting his own State from his own point of view. I venture to think, however, that Senator Givens is acting not altogether in the interests of the Commonwealth at large. Sydney has been, and is, the distributing port for the island trade, principally because Messrs. Burns, Philp, and Company, and the Union and other steamship companies, have for years past made that city their head-quarters. Messrs. Burns, Philp, and Company have, from a small island connexion, developed a very large trade; and, as Senator McGregor has shown, that firm is fully equipped with all the essentials of a prosperous and expanding business. They have establishments at various places throughout the Pacific for coaling, repairs, &c., and they have agencies throughout for buying, distributing, and exchanging cargoes. These facts show that Sydney is entitled, in some measure, to the trade. As an illustrative fact in this connexion I should like to inform honorable senators that in Sydney there are two oil mills, which import from the islands over 15,000 tons of copra annually valued at £250,000. These were the first oil mills established in Australia, and they to a large extent revolutionized the island trade. Previously to their establishment, the copra was carried direct by vessels to France, Germany, and other continental countries, but now not only are the 15,000 tons brought to Sydney for the oil mills, but more than an equal quantity is re-exported from Sydney to Germany and other parts of the world. Sydney has a legitimate trade, and that trade, whether we like it or not, must be taken into consideration. Messrs. Burns, Philp, and Company, and the Union Steamship Company, are the only two firms which could carry out a contract of the character under discussion, and if they were asked to make one of the Queensland ports their point of departure, they would unquestionably ask, not £12,000, but £50,000 per annum. The proposed subsidy forms only a small part of the basis of the island trade of Messrs. Burns, Philp, and Company.

Senator GIVENS.—Is it a subsidy for trade, or a subsidy for mail service?

Senator GRAY.—In my opinion it is both. The firm could not carry on an ordinary mail service without a subsidy of at least £50,000; and in that view I shall be supported by every business man. The contract is undertaken with the subsidy proposed, because the firm have all the conveniences already established for carrying on such a trade; the mails forming only an addendum to their present business. If we take upon ourselves the responsibility of governing New Guinea, we must do our best to elevate our Pacific Possessions, and, from a social point of view, make the life of the people there as comfortable and convenient as possible. Those people are cut off from the social pleasures which are the every-day lot of Australians on the mainland; they are dependent entirely on those vessels for their irregular correspondence, and they ought to receive every consideration. We must regard those islands, not only from the point of view of what

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they are to-day, but from the point of view of what they will be in the future, and they ought to be developed in a manner best calculated to promote the interests of the Commonwealth at large. I sympathize with Senator Givens, because it does seem rather hard that Queensland, which, on a mileage basis, has an advantage, should not have a greater share in the island traffic. We cannot, however, get away from the ordinary conditions which permeate the civilized world in regard to business transactions. It is impossible to set aside the ramifications of an established trade, unless we are prepared to pay a very heavy price. From a purely business point of view, the Commonwealth is making a very good bargain in accepting the terms which Messrs. Burns, Philp, and Company have asked.

Senator PEARCE (Western Australia).—I was somewhat startled at the singular proposition laid down by Senator McGregor, because if it means anything, it means that we should not trouble about making any postal contracts, but should trust the Government, which is responsible to Parliament.

Senator McGREGOR.—No; we must consider every question on its merits.

Senator PEARCE.—Why not apply the same rule to other mail contracts? Why not say to the steamers which carry the mails between Western Australia and South Australia, "We do not ask you to tender; we are voting a lump sum and giving the Government a free hand to make the best arrangements they can with you."

Senator Sir JOSIAH SYMON.—That is not what Senator McGregor said.

Senator PEARCE.—What are we practically asked to do in this instance? We are asked to say to the Government, "Here is a vote of £12,000 to do with as you like. We give it to you because you have intimated that you will give it to one particular firm for the purpose of carrying mails to the islands, and developing trade therewith."

Senator Sir JOSIAH SYMON.—Subject to conditions to be set out in an agreement.

Senator PEARCE.—Subject to conditions of which we are entirely ignorant. In other cases, the Parliament knows what it is voting the money for, and in many cases, tenders are called. It seems to be assumed in this case that there would be no competition if tenders were invited. What right have we to assume that Burns, Philp, and Company is the only firm which would send steamers to the islands? We are asked to assume a little too much in that regard. There are many large companies trading round Australia. We were told a little while ago that their trade was not profitable. I was sceptical on that point because I knew that their trade was profitable. Are we to assume that these companies, equally as rich as Burns, Philp, and Company, and equally able to provide steamers, would not compete if tenders were invited? A new steamer is being added almost every week to the fleet of one company or another. Only yesterday a new steamer arrived in the bay for one company. Why should we assume that the other shipping companies have no desire to enter into this trade? Senator McGregor says that Burns, Philp, and Company have special interests in the islands which other companies do not possess. Perhaps that explains why their steamers propose to make such a detour in order to get to Sydney.

Senator Sir JOSIAH SYMON.—They do not make a detour. They go from Sydney through the islands and back again, and two of the lines are to go to Brisbane.

Senator PEARCE.—The steamers take a rectangular course in order to get to the end of their voyage when it seems to me that the islands could be served by a much shorter voyage to a Queensland port. Perhaps that is due to the fact that the firm has business interests in Sydney.

Senator McGREGOR.—Certainly, that is part of the reasons.

Senator PEARCE.—Then the subsidy is to be used to serve the business interests of a firm in Sydney. The public money should be spent to serve the public interests, and not those of Burns, Philp, and Company, or of Sydney. Had tenders been invited, we might have had a firm proposing to run a line of steamers direct from the islands to the nearest point in Queensland, and the service might have been carried out at considerably less than £12,000. We are making a very dangerous innovation. I believe that it is advisable to open up the trade with the islands. But if we intend to rely on private enterprise for our mail service, and our trade with the islands, there should be open competition. It is very unsatisfactory to give the Government *carte blanche* in this matter. If Senator Givens calls for a division, I shall feel compelled to vote with him, as a protest against not calling for tenders. It is said that we are giving this amount in order to develop trade. But what guarantee have

we that Burns, Philp, and Company will make corresponding reductions in freights or fares? Have the Government come to any understanding with the firm on that point, or will they impose the condition that Australian goods are to be carried at correspondingly lower rates?

Senator Sir JOSIAH SYMON.—We might have to give a still higher subsidy if we insisted upon making that condition. This subsidy does not enable the firm to reduce fares. But it is given with the object of securing a benefit for Australia in the shape of a more frequent, and a wider service.

Senator PEARCE.—It is said that we are in danger of losing a portion of the islands trade because of the competition by German and other steamers. If the subsidy is to be of any value to the merchant in Australia, or to the settler in the New Hebrides, it must secure to him cheaper freights. But he will gain no advantage if a foreign ship still carries goods at lower rates than Burns, Philp, and Company charge.

Senator Sir JOSIAH SYMON.—The foreign ships only get the advantage by reason of the fact that our steamers do not go down often enough.

Senator PEARCE.—I understood Senator Smith to say that the French and German steamers were more heavily subsidized, and that, therefore, they were able to carry goods at lower rates than could Burns, Philp, and Company. He justified this subsidy on the ground that it would enable the latter firm to take goods at lower rates, and that, therefore, it would encourage trade with Australia. If we are to pay £12,000 a year for a mail service only, let us know that we are. But if we are to pay that sum annually for the purpose of encouraging trade, let us have some guarantee that the merchant in Australia and the settler in the islands will derive an advantage therefrom. We have no guarantee at the present moment that the firm will allow either the merchant or the settler to share in the advantage which it will gain from this subsidy.

Senator MATHESON (Western Australia).—I have never been favorably disposed towards this subsidy to Burns, Philp, and Company, because I have always felt that it did not procure for the Commonwealth the advantages which it was represented would be obtained. I cannot help thinking that there is an economic fallacy at the base of all the speeches this evening. We have heard a great deal about the trade advantages to Australia, which will arise out of the subsidy, and a great deal about the extension of her influence. I should like honorable senators to carry their minds back a few weeks to the time when Senator Smith advocated a reduction of duties to a particular group of islands in the Pacific, because, as he pointed out, the Australian producers on the islands could not remain British subjects and still make a livelihood. He pointed out that the products of the islands were barred from coming into Australia by a protective Tariff, and that in consequence every one of these settlers was gradually being obliged to become a French subject. The result of my inquiries is certainly to confirm what he said. I do not think he exaggerated the situation in the least degree.

Senator MCGREGOR.—There is no duty on copra.

Senator MATHESON.—The imposition of the duties has had the effect of shutting out all other products, except copra, which comes in free. We are asked to give Burns, Philp, and Company an increased subsidy to trade with the islands, and the result of that trade will be that Australian influence will not be extended, but this firm of traders will be enabled to make a larger profit, or an equal profit on cheaper terms out of the settlers, who are not British subjects. Under these circumstances, I fail to see why the Commonwealth should be asked to subsidize a line of steamers simply for the benefit of a firm of traders in New South Wales, or any other State. I am not in favour of the subsidy. I do not advocate the removal of the head-quarters of the line to Brisbane, or any other port, because I do not care to enter upon an economic discussion of that sort. I oppose this vote on principle. I do not think that the Government have taken into account the results which will accrue from the expenditure of the money.

Senator PULSFORD (New South Wales). — It is singular to me that this amount of £12,000 which has been proposed by three separate Governments, and has probably had more attention devoted to it than any other sum in this long schedule, should be subjected to so much criticism of an unusual character. Of the total of £12,000 no less than £6,600 will be paid by New South Wales, leaving only £5,400 to be contributed by the whole of the rest of Australia. I do not think that honorable senators have yet grasped the fact

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that £12,000 is an exceedingly small sum for the very large services which are to be given under this contract. I believe that £12,000 is about the sum paid by Australia for the excellent service between Melbourne and Launceston. I dare say that that is a cheap service. Presumably the lowest terms were obtained in entering into the contract in regard to it. Now, we have a proposal under which five different routes are to be traversed all over the Pacific for the same sum. And this expenditure is proposed in competition with France and Germany, which are running mail services over the Pacific, and are paying a total of about £80,000. Not only that, but the boats of France and Germany are able to take any crews they like, whereas under the agreement with the Commonwealth Government the steamers under this contract will be obliged to carry white crews. The great bulk of the £12,000 will, I can assure honorable senators, be paid away in wages to the crews. The contract really is a very great one for the Commonwealth. In the House of Representatives, while the matter was being discussed, it was stated by an honorable member that the firm of Burns, Philp, and Company were losing £16,000 a year on their island and New Guinea business. That is a mistake. Up to a certain time £16,000 was the aggregate of the company's loss in establishing and carrying on the island and New Guinea business. Since then, partly owing to the loss of steamers, the aggregate loss on the business of the firm in these directions has been at least £25,000. Of course the firm of Burns, Philp, and Company have very large business connexions, and it is because they are making large profits in other directions that they are able to stand these losses. They do not, I presume, ask for the sympathy of Australia. They have gone into new business as business men, looking ultimately for these trades to develop until they became profitable. Other circumstances have arisen which made the business unprofitable. But circumstances have arisen which make it desirable for Australia to make some sort of a show in the Pacific.

Senator MATHESON. — What sort of a show in the Pacific?

Senator PULSFORD.—A show which, by having these six steamers running together, will extend the mileage.

Senathor MATHESON.—Then the subsidy is only for swagger?

Senator PULSFORD. — Our swagger senator need not take it in that way.

Senator MATHESON.—The honorable senator says that the object is to make a show —a swagger.

Senator PULSFORD.—Australia ought to make in the Pacific some sort of show of its ability to carry on business; and when this proposal is made, which has been most closely scrutinized by three different Governments, and when the company is willing to run a total mileage of about 180,000 miles, carrying goods, letters, and passengers, I do not think it needs many words to show that the three Governments were justified in coming to the conclusion that it was advantageous to Australia that the contract should be entered into. In the whole of the circumstances, this strikes me as being remarkably good business for the Commonwealth.

Senator TURLEY (Queensland).—Senator Pulsford points out that, as three Governments have considered this matter, we ought to agree to it. But that does not make it right. If the honorable senator had been sitting on this side of the Chamber, and this item had come as a recommendation from the Watson Government, he would have viewed it in a different light. He would then have been able to say that because it had been taken up by the previous Government, the Watson Government only took it up because they found it on the book. That is what we were told in connexion with other matters when the Watson Government were in power. Because they indorsed what had been done by previous Governments we were told that that did not make their proposals right, any more than they would have been right if submitted as their own original policy. As a matter of fact, this contract would not have recommended itself to many honorable senators even if the Watson Government had submitted it to Parliament. There were two or three things which the Watson Government proposed with which I did not agree, although I was a member of their party. Senator Pulsford's view that New South Wales would pay a very large share of this money is not interfered with by the amendment moved by Senator Givens. It is not proposed to touch the existing arrangement. If New South Wales is prepared to allow her money to be spent to assist the business carried on by Burns, Philp, and Company, let her do it, by all means. But if a larger subsidy is to be

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voted than we think is in the interests of the Commonwealth, and if the best arrangement is not being made in regard to routes, quickness of service, and other particulars, we are justified in taking exception to it. No one for a moment wishes to object to Sydney being a port of call for the line of steamers concerned. We are not saying that Queensland ports should be the only ports of call in Australia for the vessels that come from the South Seas. We do not desire to interfere with the business that has been established in Sydney in connexion with the South Seas. What is claimed is that this is a mail service, and that the first port of call in Australia should be the nearest port available on the mainland. The reason for that is obvious. It is that letters and correspondence should be made available for delivery in Australia at the first possible opportunity. I do not know how any one can cavil at such a proposition. It seems to me that the strongest argument in favour of this point of view has been advanced by Senator Smith, who pointed out that the whole of the trade of New Guinea will go to Thursday Island. The whole of the trade of New Guinea goes to Thursday Island now. It is said that this trade will not be taken from Thursday Island, because of its geographical position. Any one can see that Australia is so situated that it would be stupid for any one to imagine that the trade of New Guinea could go to Perth, Adelaide, Fremantle, or any port on the western side of Australia. It is because of the geographical position, and the communication between Thursday Island, North Queensland, and the outer world, that the trade of New Guinea comes to Thursday Island for transhipment. But if the argument is strong regarding the trade from New Guinea, it is equally strong, or stronger, when we look at the matter from the point of view of a mail service running to the South Sea Islands. It is admitted all round that the nearest port of contact with the islands is the coast of Queensland. I am not saying whether Brisbane, Rockhampton, or Gladstone should be the port of call. The port should be that which is nearest, and where there is railway communication. By means of the railway communication in Queensland we shall be able to give the people in the South Seas a better mail service, by reason of the boats making some particular spot in that State their place of departure and their first port of call, than will be the case under what is proposed. What is asked is that if subsidies are paid by the Commonwealth Government the best service available shall be given to people who have interests at stake. The strongest argument from that point of view also seems to me to have been advanced by Senator Smith. That is, the reason why tenders should be called for this service. In the first place, there is not an honorable senator who believes that the Post Office should enter into contracts without giving every one an opportunity to tender if they think fit. It is because of the tender system that the big monopoly of Cobb and Company, which existed for many years, was ultimately broken up, with the result that there has been a considerably better service to a large number of small towns than they had prior to the time when open tenders were called for. No one will gainsay that fact in the slightest degree. It was only when smaller firms were able to tender for certain services that the people were better served, and that the Government were in a position to afford greater facilities to those who were paying the money. How much more necessary it is to adopt a similar course in a case like this, when we have complaints made in connexion with the proposed subsidy from Cooktown, and from New South Wales. The statement made by Senator Smith that it would not pay any other company to go into this trade should warrant the Government in calling for tenders in this instance, if they are anxious that fair terms shall be secured. It is pointed out that Burns, Philp, and Company have built up an enormous trade in the South Sea Islands, and that they require this subsidy to enable them to carry on and extend that trade. It will not be contended that this company, having in the course of a considerable number of years, established stores and a business in the various groups of islands in the Pacific, in New Guinea, and in North Queensland, will abandon the business they have built up if they do not receive this subsidy. I do not know that this subsidy will enable them to carry on their business more effectively than they do at present, but it is possible that it will be useful to them in meeting the competition of other people, which they have felt more keenly as they have pushed their trade to islands further out. We have no reason to believe that, by giving this subsidy to Burns, Philp, and Company, the people settled on the islands

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which will be connected with Australia by the proposed services will be given any better service than they have at the present time. The fact that Burns, Philp, and Company have established this business, and are alleged to be better able to carry out these services than is any one else, should induce the Government to say, "You have established your business in these islands, and we do not think it is any part of the duty of the Commonwealth Government to help you to extend that business which you will keep going in any case. But we shall call for tenders for these services, and if any one else desires to go into this business, they shall be given the opportunity to do so." That is all that we contend for—that instead of the Government subsidizing this company, which has built up a considerable business in the Pacific, they should call for tenders for these services, to see whether there is any one else who is willing to start trade with the Pacific. If we can get some other firm to tender, even though their tender should be about the same as that of Burns, Philp, and Company, it would pay the Commonwealth, and it would be more in the interests of the people settled in the islands, to have two firms rather than one engaged in this business. In such a case, the people settled on the islands would certainly get a better service as a result of the competition between the two firms. We should have a second firm spending money with the object of opening up trade, and there can be no doubt that the people settled on the island would be better served.

Senator FRASER.—There is not a living for two such firms in this trade.

Senator TURLEY.—We are told that the trade runs to over £1,000,000 a year, and is increasing every year. Surely in such a trade there is room for two firms running small boats to these islands. The idea of firms getting boats built specially for the purpose of carrying on this trade is all moonshine. Most of the boats used in the trade, and which will continue to be used in the trade, are boats that have been run on the Australian coast for years, and have become obsolete so far as that trade is concerned. As newer boats have been brought out to take up the Australian coastal trade, the older vessels have been transferred to the trade with the islands of the Pacific. I submit that it would be wise for the Committee to insist that the Government should call for tenders for these services, in the interests of the people on the islands. We have the statement made that a North Queensland firm, as Burns, Philp, and Company used to be before they got a bigger hold, and established their head-quarters in Sydney, is prepared to carry out a mail service between Queensland and New Guinea, and to carry cargo, as they are doing already in competition with Burns, Philp, and Company, for a little more than half what Burns, Philp, and Company are asking for the same service.

Senator GIVENS.—And by a better steamer.

Senator TURLEY.—And by a better boat. Is there any harm, therefore, in calling for tenders, and asking Burns, Philp, and Company to compete with a firm already engaged in this business with themselves? It appears to me that this is but an attempt to insure a monopoly for a firm that has used, or has attempted to use, considerable influence to that end. Honorable senators may say that representatives of Queensland are endeavouring to get facilities for that State which she does not at present enjoy, but at any rate I am not looking at this matter from a purely Queensland point of view. Senator McGregor asked us to discuss this matter from an Australian point of view, and I desire to do so, as well as from the point of view of the people who have settled in the islands, and who are endeavouring to make a living there. We are told that Burns, Philp, and Company are prepared to run half-a-dozen boats, on which they are prepared to spend £100,000 to £150,000 in provisioning and maintaining.

Senator STEWART.—Will it cost that? Is that estimate reliable?

Senator TURLEY.—I do not know. I take the figures submitted by Senator McGregor. I point out that though it might be necessary for the extension of their trade that Burns, Philp, and Company should run five boats if they secured this subsidy, they would, in all probability, continue to run four or five boats if they did not get the subsidy. If tenders are called for these services, and another firm gets the contract, we should have four or five additional boats engaged in the trade; there would be more money spent in provisioning and maintaining the two fleets, and even from Senator McGregor's point of view, that would appear to be the better course to adopt. Senator McGregor's

argument on the subject does not amount to a very great deal.

Senator McGREGOR.—It amounts to this: that the firm that is not subsidized will run its vessel with coloured labour.

Senator TURLEY.—I do not know that it will. The boat which is now being run from Cooktown to New Guinea is not being run by coloured labour. How is it that the firm running that boat has not taken advantage of the opportunity to run it with coloured labour? Boats engaged in this trade have been run for years, and are now being run with white labour. I remind honorable senators that there was very nearly a big strike caused not long ago when the *Janet Nichol*, employed in the South Sea trade came into Sydney and wished to take a coloured crew from Sydney back to the islands. When in the Commonwealth we desire to secure a good service on land, we call for tenders, and if that principle is good as applied to services within the borders of the Commonwealth, some reason should be given why the same principle is not equally good when applied to a mail service beyond the Commonwealth. However, this is not a mail service, but a proposal to subsidize a company for carrying on its own business.

Senator Sir JOSIAH SYMON.—No.

Senator TURLEY.—How can it be anything else, when we are told that there is no other company in the Commonwealth able to carry out this service?

Senator Sir JOSIAH SYMON.—The honorable senator overlooks what the company gives in exchange for the subsidy.

Senator TURLEY.—I am not overlooking what they give in exchange, but I point out that they have this trading business established, and will continue to carry it on.

Senator Sir JOSIAH SYMON.—Their business under this contract will be to carry mails for the Commonwealth, and that is what we shall pay them for.

Senator TURLEY.—It will be their business to carry anything from the Commonwealth which the Attorney-General may take down to the wharf and pay freight on. They will do business for the Commonwealth only, just in the way in which they will do business for any merchant who has goods to send to the islands.

Senator Sir JOSIAH SYMON.—In the same way as the Peninsular and Oriental and Orient Companies do business.

Senator TURLEY.—No; because, in the case of those companies, there is a specific contract entered into for the carriage of mails alone.

Senator FRASER.—No; for the carriage of frozen produce also.

Senator TURLEY.—That is only within the last few years.

Senator FRASER.—Within the last ten years.

Senator TURLEY.—At the present time some of our contracts with these companies are for the carriage of mails alone, but it is not pretended that this subsidy is for a mail service only. There is also the difference that the Peninsular and Oriental Company has not a monopoly of shipping facilities between Australia and other parts of the world. There are many different lines of boats running between Australia and the various ports at which vessels belonging to the Peninsular and Oriental Company call. But in this case that is not so. We are informed that if there were tenders called to-morrow there is no firm in Australia able to compete with Messrs. Burns, Philp and Company.

Senator GRAY.—Other firms could take the contract, but they could not do the work so well as can Messrs. Burns, Philp, and Company.

Senator TURLEY.—That is the strongest reason why the Government ought to call for tenders; and Senator Gray has said that the Union Company could do the work. That company has a number of boats on the coast of Queensland, and could spare half-a-dozen for the South Sea Islands trade; but they have not branches and agencies established, as Messrs. Burns, Philp, and Company have, in every little nook and bay, with men there to do trade with the natives. It was further said by Senator Gray that if a company were asked to take this contract up as a mail contract they would probably ask for a subsidy of £50,000. If that be so, what harm could there be in throwing the contract open to competition? If a firm desires to establish a trade, or to extend what little trade they have in the South Seas, what harm could there be in the Government calling for tenders for the whole service, or any portion which a firm might be prepared to undertake? There is no reason why the Government should not obtain, not only the cheapest, but the best service, which should be made as nearly as possible

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approximate to a mail service by stipulating that the vessels shall call at the first port from which there is railway communication throughout Australia. If Messrs. Burns, Philp, and Company tendered at £12,000, and another firm tendered at £20,000, the first-named firm would obtain the contract, under conditions which were as fair as they could be made to Australia. Another argument which has been used may be described as the patriotic argument. It has been urged that by giving this subsidy we are establishing, or helping to establish, a mercantile marine, from which we may obtain the nucleus of a naval reserve. But where are the firm getting the young chaps who go on board the half-dozen vessels round the coast? They are getting them mostly from the shore, and training them on board, thus making them seamen fit to be drafted into almost any other branch of the service. Those small vessels will get their crews from men already engaged in the mercantile marine, and if those men are called on they will be prepared to take their place in the defence of their country. But the bottom falls out of the patriotic view when Senator McGregor admits that if a competing firm got the contract Messrs. Burns, Philp and Company would sacrifice all sentiment, and work their ships with coloured labour. We have not often used that argument in connexion with our coastal marine, because, as a matter of fact, though not so much in Australia as in England, that marine has not been manned by Britishers, or by men who would consider it to their interest to bestir themselves in the defence of the country where they earn their living. There are two points which we must bear in mind; first, we should endeavour to make this service the most efficient from a mail point of view; and, secondly, we should give any other firm or body of persons an opportunity to tender for the service.

Senator STYLES (Victoria).—I have listened with very great interest to this debate, and I fancy I shall have to support the amendment. As an old contractor, I disapprove, and always have disapproved very strongly, of private contracts. I know nothing about Messrs. Burns, Philp, and Company, or any other firm which has been mentioned, but I cannot think it right to hand over a subsidy of £1,000 a month of Commonwealth money without open competition. We are told that Messrs. Burns, Philp, and Company are the only persons who can carry on this trade successfully.

Senator FRASER.—This subsidy was sanctioned by the previous Government.

Senator STYLES.—That makes it all the worse. I understand that the two previous Governments were willing to pay £12,000 per annum.

Senator PLAYFORD.—I do not think the Deakin Government were.

Senator Sir JOSIAH SYMON.—Yes.

Senator PLAYFORD.—I never heard that suggestion in Cabinet.

Senator STYLES.—I do not understand, however, that the two previous Governments were willing to pay that subsidy without calling for tenders.

Senator Sir JOSIAH SYMON.—Yes.

Senator STYLES.—If any honorable senator were a ship-owner, I am sure he would feel aggrieved at not having an opportunity to tender, and perhaps open or develop a trade with the South Sea Islands, with a subsidy of £12,000 per annum behind him. That is a large sum, and I have no hesitation in saying that it will be sufficient to pay the wages of the men on the whole of the six ships. Open competition is the principle to which I adhere where public contracts are involved. If we were a private firm of capitalists, and thought fit to give Messrs. Burns, Philp, and Company £12,000 per annum, it might be the best arrangement possible.

Senator Sir JOSIAH SYMON.—There is no doubt that it is the best arrangement.

Senator STYLES.—We cannot know whether it is the best arrangement, until we call for public tenders.

Senator GIVENS.—This is pure jobbery!

Senator STYLES.—I would not say that; it may possibly be the best arrangement, but still I must oppose the policy of handing over public money without public competition. I do not want to see established the precedent of giving large contracts privately. We might be told later on, in the case of public works, that Jones having contracted for one section, was the only person who could successfully carry out the next section, and that the contract ought to be given to him privately. That has been done in Australia over and over again, although it is the experience that when contracts are publicly called for in such cases, the contractor for the one section is scarcely ever successful in regard to the second.

Senator FRASER.—Private letting has never been done in Victoria.

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Senator STYLES.—Yes, it has; John Robb, after doing one section of the Ballarat railway, was privately given the contract for another short section, although there were contractors, who would have done the work at cheaper rates. I was one who waited upon the Railway Commissioners at the time, and protested against such a policy as unsound. I shall support the amendment, without entering into the question whether the amendment proposed be good or bad, relying on the principle that public money, when spent on contracts, should be competed for publicly.

Senator Sir JOSIAH SYMON.—I am sorry that Senator Styles has stated so positively that he intends to support the amendment.

Senator STYLES.—I intend to support the principle of public contracts.

Senator Sir JOSIAH SYMON.—I agree with that principle, but I think that Senator Styles will see that whatever view he may take as to the advisableness of calling for tenders, such a course would be, I shall not say impossible—though I think it would be —but, at any rate, highly disadvantageous to Australia. The discussion has very properly covered a much wider area than that which Senator Givens originally contemplated; and I desire to recall honorable senators' attention to what is proposed, and what the points involved are. There is, and has been, a subsidy paid of £3,600 towards a mail service to the New Hebrides and other islands in the Pacific, but that amount was paid by New South Wales alone, the Commonwealth not contributing a farthing of what is transferred expenditure. In pursuance of the white labour policy, £4,000, or an additional £400 was granted, on condition that black labour was not used, and then £2,000 per annum was granted as an additional subsidy, for the extension of the services. Those two latter sums represent £6,000, the bulk of which was paid by New South Wales. The details of the contract are set out in a summary which was laid on the table of the Senate on the 11th November last, and are embodied in a contract finally entered into in July, 1902. The contractors are Messrs. Burns, Philp, and Company, and there are two points which have occupied, what I might call the foremost place in the debate—the rival claims of Sydney and Brisbane. It is perfectly legitimate for honorable senators to have full regard to the interests of the States which they represent. We, from Western Australia and Adelaide, were asked whether we should be satisfied if the mail boats passed our shores; and there is no doubt that we are bound to do the best we can in the interests of our particular States, other things being equal. We are not to sacrifice national interests, but subject to those interests, we ought to do the best we can for our own States; I say that freely and emphatically. On the other hand, I think undue prominence has been given to Messrs. Burns, Philp, and Company, and to their business, which I hope has been a profitable one. But whether the business has been profitable or not, it has been of distinct advantage to Australia, of which we are citizens. I deprecate many of the remarks which have been made in connexion with Messrs. Burns, Philp, and Company. We ought to look at this question, as far as we can, detached from any firm or firms—as Senator McGregor said, we ought to regard it from the standpoint of the interests of Australia, and from the stand-point of the efficiency of the service, and in the best way to carry out the purposes we all have in view. That being the state of things, and this contract existing in July, 1902, in the hands of a particular firm, what firm is most likely to have the facilities, the agencies, and establishments to carry out the service? Where are we likely, in a hurry, or at the moment, to get the best service for the purpose of carrying out the objects we have in view? Why, by taking those who already enjoy a subsidy of £3,600 from New South Wales, and £1,400 from the Commonwealth, in respect of an existing service which everybody admits is wholly inefficient in respect of the area it covers, and is inefficient in respect of regularity. No service is likely to be effectual for the interests of the mails or the trade of Australia, for the development of our relations with these islands, unless it has the one important feature of regularity.

Senator GIVENS.—But the honorable and learned senator told me, when I was speaking, that this subsidy had nothing to do with commerce.

Senator Sir JOSIAH SYMON.—It is my fault that I did not express clearly enough what I meant, and when it is mentioned I do not think that even my honorable friend will trouble about pressing the motion to a division. That was the state of things in July, 1902. Australia was impressed with the condition of things in these islands. It was reminded of the fact that

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it had not a mail service running to a number of these islands, and that it had not regularity of service. The result of this irregularity was that the foreign ships were encroaching upon what ought to be the preserves of Australia for trade and commerce. Government after Government was urged to do something to extend the service, and to establish it on a regular basis. Mr. Deakin's Government took the representations into consideration. After investigation, through Captain Razon, Mr. Woodford, and the other gentleman who has been referred to by Senator Smith, and quite apart from all commercial considerations, they appealed to persons who could give them an independent judgment, and a large and impartial knowledge of the whole question, and they came to the conclusion that this further extension of this particular island service could only be accomplished on the most economical basis at an amount which they all agreed should be £6,000. It was cut down as far as possible. Mr. Deakin declared, over and over again, on independent testimony, that that was a fair price, and everybody was satisfied that the only people at this moment who could carry out the service—having everything at their disposal—were Burns, Philp and Company. That position was taken up in January last.

Senator PLAYFORD.—But it never passed the Cabinet.

Senator Sir JOSIAH SYMON.—I only know what Mr. Deakin has said. At all events, this proposal is not brought down by the present Ministry on the spur of the moment. Mr. Watson's Government took the matter into consideration, and indorsed the conclusions on all the grounds which have been so well stated by Senator McGregor.

Senator TURLEY.—They accepted the position as they found it.

Senator Sir JOSIAH SYMON.—I do not think that Senator McGregor will accept that situation for a moment. They went into the subject as honorable men anxious to promote the interests of Australia.

Senator PLAYFORD.—The inquiry was made before they came into office.

Senator Sir JOSIAH SYMON.—They adopted the result of the inquiry and placed a sum on the Estimates for the purpose. The present Government came into office and made an inquiry. We confirmed the views taken up by the two preceding Governments, not necessarily by Cabinet decisions, and adopted their Estimates. What is the motion before the Committee? It is to strike out the item of £6,000, and to absolutely cancel the service, because, being without money, we should not be able to continue the service until Parliament met again. That is the situation in which my honorable friend wishes to place us.

Senator TURLEY.—Will the honorable and learned senator declare that the Government will call for tenders for the various services?

Senator Sir JOSIAH SYMON.—My honorable friend has had months in which he could have tabled a motion in the Senate.

Senator GIVENS.—We cannot get to the motions which we have tabled because the Government have taken away our time.

Senator Sir JOSIAH SYMON.—Let us look at the question as practical men. My honorable friend asks the Committee to strike out this item of £6,000 which three Governments, since January last, have said was necessary to provide for this service which we all want. Mr. Deakin has said that he has sketched out an agreement, but it is not entered into yet. My honorable friends will have a perfectly free hand when they come back here in a few months, because the existing contract, entered into in July, 1902, for the service which cost the first £6,000, contains a condition which was read by Senator Higgs to-day in his long and most interesting speech—

> That, notwithstanding anything hereinbefore mentioned, the Government may terminate the agreement by a notice in writing in the event of Parliament declining or failing to vote the money.

All that my honorable friends need do next year—and we shall be running the service in the meantime—is to table a motion that tenders shall be called before the next Estimates are submitted, and if tenders were received for a smaller sum, the Parliament would not vote the money.

Senator GIVENS.—We should be told that we were repudiating an agreement.

Senator Sir JOSIAH SYMON.—The draft agreement provides for that course being taken; but my honorable friends wish to strike out this item of £6,000, and paralyze the whole mail and trade services, when they would have full power in their hands to deal with the subject next year. Now, we cannot strike out this sum. It is of no use saying that we can.

Senator GIVENS.—Why can I not? I could keep the honorable and learned senator here for a week on this matter if I liked.

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Senator Sir JOSIAH SYMON.—I should be most happy to stay, but let my honorable friend ask Senator Playford if such a thing could be done. No statesman would think of doing such a thing for a moment. How can we possibly advertise for tenders now? The conditions are those which Burns, Philp, and Company, in conjunction with three Governments, have decided upon. What should we have to advertise? We could not advertise for tenders to carry mails amongst all these islands simply. We should have to put in conditions. What conditions should be put in? We should have to put in the conditions which this company and three Governments have agreed upon, and the result, as Senator Smith said, would be a perfect farce. After the experience of the next eight or nine months, however, we could alter the conditions as we pleased. Senator Styles will tell my honorable friend at once that it would be a very novel thing if we first of all arranged with a contractor to do a job on certain conditions, and then advertised the conditions.

Senator STYLES.—It would be very improper to arrange with him.

Senator Sir JOSIAH SYMON.—It would be very improper.

Senator GIVENS.—When was the agreement signed?

Senator PLAYFORD.—Practically when this amount was put on the Estimates.

Senator Sir JOSIAH SYMON.—I am not here any more than any honorable senator to attempt to subsidize or give a monopoly to anybody. We are all here to do our best for the interests of Australia. We are not here to give a preference in this matter to Brisbane over Sydney, or to Sydney over Brisbane. But there is one very emphatic reason which appeals to me in regard to Sydney, and that is the fact that it is the centre of this trade. Perhaps we should have to pay a higher subsidy if the terminus were removed to Brisbane or Cooktown.

Senator STYLES.—Has this contract been signed?

Senator Sir JOSIAH SYMON.—No, it cannot be signed until the money has been voted. Senator Givens said rightly enough that this is a subsidy. It is a subsidy in its intention for a mail service. We cannot expect this firm to accept our subsidy of any particular amount unless they have trade to help them along. The Peninsular and Oriental Company would not have carried our mails at the price which we have been in the habit of paying, unless they had goods and passengers to carry as well. This is not a subsidy to assist a firm in carrying on their trade. It is a subsidy which is measured and fixed between the contracting parties by reference to the amount which they will be able to make out of their passenger and goods traffic, and which, of course, enables them to carry our mails at a lower figure, and to visit a larger number of islands. Senator Givens asked me whether this was a mail subsidy. Of course it is a mail subsidy, but whether it is a mail subsidy or not, it certainly is not a bounty. The idea that the subsidy is unconstitutional has no foundation. I have said this much, because I feel that the debate has been an important and interesting one. Undoubtedly this is a matter that ought to be ventilated. The views put forward by honorable senators are of great importance and value. I need hardly say that I shall take care that they are put before the Government, and that every care will be taken in the framing of the final agreement and in its conditions to see that the interests of the Commonwealth are thoroughly safeguarded. Even as regards the different States, care will be taken to see that no injustice is done. In fact, as the Vice-President of the Executive Council intimated, the Prime Minister has already stated as to two of the three alternative mail services, that an arrangement has been made that the vessels shall call at Brisbane. No attempt will be made to slight or pass by Queensland in any respect. But I am perfectly certain that a very much larger sum will be required if the centre of the trade is shifted from Sydney. All these elements have been taken into consideration. The service takes in a very much larger area than our own islands. Of course, our mails go to islands that belong to foreign Governments. We cannot limit our mail service to our own Possessions, but must include other places with which we trade. I hope that, looking at this as a practical question, honorable senators will not vote for the amendment, recognising that, in any case, there will be ample opportunity to table a motion, and to reconsider the subject next session. Parliament will not vote the money again if it thinks that the arrangement is detrimental to all the interests concerned. I may add, before sitting down, that the two lines which are to call at Brisbane are the Sydney to Solomon Islands line and the New Guinea line.

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Senator TRENWITH (Victoria). — I think there is a great deal of misapprehension as to the position in which we find ourselves in reference to this question. Senator Styles has laid down a very sound general principle. Where public money has to be spent on lines that are distinct, and where all the conditions are clearly understood, there should be public competition. But that is not so in this case. To start with, there was a contract between a State and the firm of Burns, Philp, and Company. When Federation took place that contract was taken over and extended. Out of the performance of that contract, and out of the negotiations between the Federal Government and the contractor, have grown other suggestions that have been finally adopted by the Government; but adopted in consequence of negotiations with the existing contractor. Now it is under consideration that we should increase the subsidy for the purpose of developing a more satisfactory trade. The only knowledge we have as to what is possible is what has arisen out of the negotiations between the present contractor and the Government. Therefore it seems reasonable and fair, in these peculiar circumstances, to depart from the sound principle that Senator Styles has laid down. Suppose we do this fair thing for the ensuing few months until Parliament meets again, and can deal with the question more fully. We shall then have had several months of the working of this new contract. We shall have it in a concrete form, so that we shall be able to say whether or not we desire to continue it. We shall have the advantage of experience. But at the present time what we have to consider is, first of all: Is the trade with the islands of sufficient importance to warrant us in paying out of the Commonwealth funds £6,000 as a subsidy? For this subsidy we get a service for which, supposing there are any number of ships running, we should probably have to pay the same money. My honorable friend, Senator Styles, has been connected with many contracts, and he would consider it a monstrously unfair thing that an ignorant person—and the Commonwealth Government is in some respects ignorant in connexion with this intricate question — should approach a contractor with a view to acquire fuller information in reference to matters in which they were both interested; and that then, having got the information from the contractor, the person should say, "Thank you, I am now going to call for tenders on these conditions." I shall vote for the proposed subsidy, and during the ensuing months I shall take advantage of the opportunity to look into the working of the contract, with the object of seeing whether it should be continued in the future. In the meantime the Government would be acting wrongly if they did not take the stand they are taking. It has been said that the fact that three Governments have acquiesced in this arrangement, is no reason why we should adopt it. I quite agree that that is not a sufficient reason in itself. But the fact that three Governments, with a greater knowledge of the details than we can possibly have, and with the responsibility of looking into the matter as fully as they could, have arrived at the conclusion that this is the best that can be done, while it is not proof, is strong presumptive evidence that is the best.

Senator GIVENS.—One Government has finally dealt with the matter; the other Governments only had it tentatively before them.

Senator TRENWITH.—I am proud to think that Governments feel their responsibilities and recognise them. It does not matter to me whether it is a Government that I am supporting, or a Government that I am opposing; we may lay down the principle that Governments in Australia—Commonwealth Governments, at any rate—recognise the responsibility of their positions, and when matters come before them, which have been decided by previous Governments, hold it to be their duty to investigate and ascertain whether what commended itself to their predecessors commends itself to them. Therefore, for all practical purposes, it is just the same to me as if this subject had been investigated separately by three Governments. I think it would be to a great extent a breach of faith if we did not vote this subsidy. Consequently I intend to support the Government.

Senator GIVENS (Queensland).—I intend to reply to one or two of the alleged arguments that have been used against my proposal. In the first place, we have been told by the Attorney-General that if we refuse to vote this money, we shall be abrogating the whole of the mail services with the islands.

Senator MCGREGOR.—He did not say that.

Senator GIVENS.—The Attorney-General is present, and he can correct me if I am wrong.

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Senator Sir JOSIAH SYMON.—No; I did not say that; I did not refer to the existing services in that respect.

Senator GIVENS.—The Attorney-General also said that if we failed to vote this money, it would be, to a certain extent, repudiation—that it would be actual repudiation, inasmuch as the agreement was entered into with Burns, Philp, and Company. But he had to admit when pressed that the agreement was not signed; and he, as a legal gentleman, must know that no agreement is binding unless it is signed. Until the increased subsidy is voted by this Parliament, the Government has no right to incur any expenditure.

Senator McGREGOR.—One of the conditions is the voting of the amount by Parliament.

Senator GIVENS.—We are always told when a Government goes in for anything of this kind, and puts a sum of money on the Estimates, that it will be repudiation if we refuse to vote the amount. If that were so, Parliament would have absolutely no control over the finances of the country. A Government could bleed the country to any extent at its own sweet will. I refuse to be influenced by a flimsy argument of that kind. We have been told that Burns, Philp and Company are the only people who can efficiently carry out these services. That is not a correct statement, and it would not be made by any one who knows the circumstances. It should not be stated by any one who is not acquainted with the circumstances, because it is calculated to mislead.

Senator McGREGOR.—The honorable senator is grossly exaggerating the statement which has been made.

Senator GIVENS.—If I recollect rightly, Senator McGregor said that Burns, Philp, and Company is the only company that to equip itself for the service.

Senator McGREGOR.—I did not say anything of the kind. The Peninsular and Oriental Steam Navigation Company could do it if it chose.

Senator TRENWITH.—It would have to do it at a great loss, as it would take months to equip itself for the service.

Senator GIVENS.—In the first place, there was no necessity to let the contracts in bulk. They might have been let separately, and if that had been done, there are other firms that would have been prepared to tender. With regard to the service to New Guinea, there is a Queensland company, Clunn and Sons, already trading between Queensland and New Guinea with a better boat in every respect, than the boat used by Burns, Philp, and Company in the same trade. Clunn and Sons trade with a steamer called the *Papuan*, which is a vessel of 160 tons, or 54 tons larger than the vessel with which Burns, Philp, and Company carry on that trade, and they are prepared to give a better service than do Burns, Philp and Company, and at little more than half the cost. They are refused a look in at all, and I ask how honorable senators can justify jobbery of this kind, because that is what it is. It has been the desire to cover up jobbery of this kind which has led to the tenders being called in bulk.

Senator FRASER.—We shall insist upon tenders being called separately next time.

Senator GIVENS.—The Attorney-General also used that argument. He said that, if at this time next year we find that service has not been conducted satisfactorily, we can refuse to vote the money, and the contract will come to an end. We have exactly the same remedy at hand now, and I propose to take advantage of it.

Senator McGREGOR.—There is no time now to make other arrangements.

Senator GIVENS.—The existing arrangements will continue.

Senator McGREGOR.—They are not sufficient to meet the extended services required.

Senator GIVENS.—I have already pointed out that so far as the service to New Guinea is concerned, we have another firm ready to jump into the business, and give us the extended service at once, with a better steamer than that supplied by Burns, Philp, and Company, and for a little more than half the money which it is proposed we should pay to that firm. What does the Commonwealth owe to Burns, Philp, and Company that it should make them a present of £1,000 for the New Guinea service? That is what is proposed, and it is a scandalous piece of business on the face of it. What are the facts with regard to the New Guinea service? Burns, Philp, and Company propose under their contract merely to serve their own trading stations. They propose to call at Daru, where there are only two Government officers, and two

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of their own officials. The condition of things is exactly the same at Hall's Sound, and at various other places at which they propose to call. If our desire is to open up trade with New Guinea, and give the settlers of the Territory an efficient mail service, we should secure the best boat and the best service offered, and that is the boat and the service offered by Clunn and Sons, of Cooktown. A humble firm like that is entitled to as much consideration from this Committee as is an octopus firm like Burns, Philp, and Company. The Attorney-General has said that the only people who can carry the whole thing out are Burns, Philp, and Company; but I point out that there is no necessity for us to intrust the carrying out of the whole thing to any one firm. The point I make is that we should be likely to get a better service by dividing the proposed service into three separate contracts; one for a service to the Solomon Islands, another for a service to the New Hebrides, and the third for a service with British New Guinea. However much honorable senators may sneer at the 160-ton boat provided by Clunn and Sons, it is at all events, superior to the boat which is used by Burns, Philp, and Company in the same service.

Senator STANIFORTH SMITH.—Do they employ only white labour on their boat?

Senator GIVENS.—Yes, and it is the boat favoured by miners and other people who have to travel between Queensland and New Guinea.

Senator STANIFORTH SMITH.—I understand that the *Papuan* has a crew of ten coloured men and six white men.

Senator GIVENS.—I should like to know what authority Senator Smith has for that statement?

Senator STANIFORTH SMITH.—A statement read out by the Attorney-General.

Senator GIVENS.—I did not hear the Attorney-General read out any statement of the kind. The proposal is to give a subsidy to Burns, Philp, and Company to carry on trade with their own stations at the expense of the people of the Commonwealth, and that, instead of being good for the Commonwealth, will be bad for this country, because it will enable Burns, Philp, and Company to squeeze out every other trader engaged in the trade with these islands. At present, it is next to impossible for other persons to take part in this trade.

Senator Lt.-Col. NEILD.—No other trader has tried to do so.

Senator GIVENS.—As a matter of fact, the Australian United Steam Navigation Company tried it for a considerable time, the firm of Walsh and Company, of North Queensland, also tried it, and other firms have tried it. I propose an alternative scheme for the consideration of the Government, if they must make Burns, Philp, and Company a present of £1,000 in connexion with the service to New Guinea—I suggest that they should still do so, and give Clunn and Sons the contract. This would result in a better service, whilst Burns, Philp, and Company would get their present all the same. I have before said that by my amendment I do not propose to interfere with the £3,000 a year which New South Wales is contributing in this matter. On behalf of the State I appeal to the Committee not to allow this vote. I appeal on the grounds of fair dealing and honesty in public transactions, and in the interests of Queensland and of the Commonwealth. I shall persist with my amendment to the utmost, so that by means of a division we may see those who are in favour of honest and straightforward business.

Senator DOBSON (Tasmania).—Senator Smith, in the course of his very admirable speech a few days ago, said, so far as I understand, that £7,000 a year could be saved if the *Merrie England* were done away with, and that the contract under discussion would enable us to dispense with that vessel. As the Secretary of the Department of External Affairs may pay a visit to New Guinea, he will have the opportunity to make inquiries as to whether this saving could be effected. I am indebted to Senator Smith for pointing out another argument, the strength of which I do not think Senator Givens has realized. Honorable senators from Queensland have exhibited a great deal of opposition to the contract; but I would point out to them that when the first £6,000 was paid there were three services, all of which had to start from Sydney. Then I understand Queensland put in a claim, and the then Prime Minister arranged for two additional services, the steamers of which were to call at Brisbane. It is for those additional services that the extra £6,000 is being paid, so that Queensland is getting almost the whole of the benefit of the money.

Question—That the House of Representatives be requested to leave out the item—" Improved New Hebrides, Solomon, and Norfolk Islands services, new services to Solomon, Gilbert, Ellice, and New

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Guinea, £6,000"—put. The Committee divided.

Ayes	6
Noes	15
Majority	9

AYES.

Dawson, A.	Turley, H.
Higgs, W. G.	
Stewart, J. C.	*Teller:*
Styles, J.	Givens, T.

NOES.

Baker, Sir R. C.	Pulsford, E.
Dobson, H.	Smith, M. S. C.
Drake, J. G.	Story, W. H.
Fraser, S.	Symon, Sir J. H.
Gray, J. P.	Trenwith, W. A.
Keating, J. H.	Zeal, Sir W. A.
McGregor, G.	*Teller:*
Neild, J. C.	Clemons, J. S.

PAIRS.

Pearce, G. F.	Best, R. W.
Henderson, G.	Mulcahy, E.

Question so resolved in the negative.

Request negatived.

ATTORNEY-GENERAL'S DEPARTMENT.

Divisions 15 to 17, £10,394.

Senator STEWART (Queensland).—Does the Attorney-General propose to proceed any further with the Estimates to-night?

Senator Sir JOSIAH SYMON.—Yes, I propose that we shall make some progress.

Senator STEWART.—I do not think it is fair to ask the Committee to proceed, considering that we met at half-past eleven o'clock this morning, and that on previous occasions the Senate has adjourned, even for a week or a fortnight, when important business had to be transacted.

Senator Sir JOSIAH SYMON.—I ask the Chairman whether the honorable senator is in order. The honorable senator, though he does not mean to do so, is not treating me quite fairly. He asked me a question as to whether I intended to proceed further, and I courteously answered him in the affirmative.

Senator STEWART.—How far does the Attorney-General propose to go?

Senator Sir JOSIAH SYMON.—I shall see what progress we make.

The CHAIRMAN.—The honorable senator is not in order in discussing how long the Committee propose to sit to-night. He must discuss the item before the Chair.

Senator STEWART.—I object to the provision of £310 per annum for a secretary to the representative of the Government in the Senate. I do not see the necessity for any such officer. Who is the representative of the Government in the Senate?

Senator Sir JOSIAH SYMON.—The honorable senator knows very well.

Senator STEWART. — When the Deakin Government were in power, we had the Attorney-General and the Vice-President of the Executive Council in this Chamber, and the Vice-President of the Executive Council was then the representative of the Government, or leader of the Senate.

Senator GIVENS.—The positions are reversed now.

Senator STEWART.—I do not know whether they are or not. We have no official information as to who is leader of the Government here. In any case, I wish to know why it is necessary to have a secretary to the representative of the Government here? If I recollect rightly, it was said that Senator O'Connor did not receive any payment as a Minister, and that it would not be fair to ask him to do a great deal of work which might very well be done by a secretary. If the Attorney-General is now the representative of the Government the same excuse cannot be offered on his behalf, for I understand that he is paid. I move—

That the House of Representatives be requested to leave out the item "Secretary to the Representative of the Government in the Senate, £310."

Senator McGREGOR (South Australia). It is not fair for an honorable senator to move that the salaries of any officers be left out, when he has not the slightest knowledge of the work which they have to do. Either the officers in the Public Service are doing their work efficiently, or they should not be where they are. The services of this particular officer have been of the greatest value to the Senate in facilitating the transaction of public business. The Attorney-General might have a secretary and other officers at his command, but he could not always go to his office. The gentleman whose salary we are asked to omit does work in the Attorney-General's office. If Senator Stewart would only make a little inquiry before he attacks individual positions I do not believe that he would hurt the feelings of any officer in the Public Service.

Senator STEWART (Queensland).—I object to the tone adopted by Senator McGregor. It appears to me that his short tenure of office as a Minister of the Crown has caused him to fall away in a very great

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measure from the principles which I consider ought to govern the members of the party to which he belongs. He has brought me to task for hurting the feelings of an officer. I do not know who this gentleman is.

Senator McGregor. — The honorable senator ought to find out first what he does.

Senator STEWART.—I know nothing about the officer. I was speaking in an entirely impersonal way. I have no desire to hurt the feelings of any one, but I have a public duty to discharge. If I think that an officer is superfluous, it is my duty to express my view, and if it can be shown to me that his services are absolutely necessary, then, of course, I shall admit that I am in the wrong. I was under the impression that the Prime Minister had no private secretary, but I find that he has, and I suppose that the leader of the Government here must be equipped in a similar fashion.

Motion, by leave, withdrawn.

Senator DOBSON (Tasmania).—I wish to know what the Attorney-General proposes to do about the books for the departmental library. I observe an item of £300 for this purpose. It is quite certain that a Law Department cannot be worked without a good library, but as there are a considerable number of law books and works of reference in the parliamentary library, within 200 yards of my honorable and learned friend's chambers, and as we are asked to vote £400 for law books for the High Court, is it absolutely necessary to vote £300 for books for the departmental library? Was any money voted last year for law books, and are they all kept in the Department? Is it proposed to ask for a sum each year for this purpose, or will this sum be sufficient?

Senator Sir JOSIAH SYMON.—I cannot tell my honorable friend whether I shall go on asking for a sum each year for this purpose, because I may not be occupying the position of Attorney-General. If he will refer to the Estimates, he will find that while £500 was voted last year for this purpose, only £326 was spent. For that reason all that is asked for this year is £300. The probability is that in another year or so no vote will be necessary.

Senator DOBSON (Tasmania).—Under the head of High Court, I observe an item of £185 for a clerk in the principal registry, and an item of £185 for a clerk in the district registry, at Sydney. When the first estimates of the High Court were under consideration, I asked Senator O'Connor whether there would have to be a registrar in each State, and he replied most emphatically that it would not be necessary, as an officer in the State would be able to do the small amount of work required to be done. That answer appears to be wrong, or else these two items are unnecessary. I desire to know whether it is necessary to have a clerk in the district registry in Sydney, as well as a clerk in the principal registry here; whether there are twenty or thirty, or forty cases in Sydney in the year, and, if so, whether a register of that small number is required?

Senator Sir JOSIAH SYMON.—Senator O'Connor's answer was perfectly correct. We have a district registry in each State, except Victoria, where there is, of course, the principal registry. None of the district registrars in the States, other than New South Wales, is paid, because there is very little business to do in Tasmania, Western Australia, South Australia, and Queensland. There is business to be done in some of the States, but very little, and, therefore, there is no fixed rate. In Victoria and New South Wales, however, there is a very large amount of business, and it is absolutely essential that there should be a registrar in Melbourne and Sydney. The remuneration which is made to them is, I think, infinitesimal in comparison with their duties. It ought to be more.

Senator Turley.—Will the Attorney-General give the Committee some information about the item of £2,000 for travelling expenses?

Senator Sir JOSIAH SYMON.—That sum is required to defray the travelling expenses of the Judges, the associates, and the tipstaffs throughout the year.

Senator Mulcahy.—A very extravagant sum.

Senator Sir JOSIAH SYMON.—The amount voted for last financial year was £1,900, and it was exceeded by £54. £1,954 was the expenditure for eight months, or the period during which the Court was in existence in the last financial year. For the current year it is practically the same amount that we are asked to vote. Of course, in the first year the travelling expenses were rather more, because of the course adopted of going to the different States in order to inaugurate the High Court. During the present year circuits will only take place when there is business to be transacted. Therefore, the amount here is literally a third less than it was last year.

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Senator MULCAHY.—It is £40 a week, all the same.

Senator TURLEY.—Has the honorable and learned senator any of the items here?

Senator Sir JOSIAH SYMON.—No; but this sum includes the travelling expenses of the three Judges and the officers of the Court.

Senator MULCAHY.—What are the three Judges allowed per day?

Senator Sir JOSIAH SYMON.—It was stated last year that they are allowed their expenses, certified by the Chief Justice.

Senator MULCAHY.—They ought to be allowed to keep them down a bit.

Senator Sir JOSIAH SYMON.—They are keeping them down. Surely my honorable friend must see that a reduction by one-third is a considerable one. I agree with my honorable friend that every effort should be made to keep the expenses down, and so far as I am concerned I shall take care to exercise a supervision with that object in view.

Senator STEWART (Queensland).—It was stated in a newspaper some time ago that the Chief Justice had issued an order to the effect that litigants would not be allowed to appeal directly from one of the State Courts to the High Court.

Senator Sir JOSIAH SYMON.—I think my honorable friend must have misunderstood what he read.

Senator STEWART.—The impression conveyed to my mind was that if a case were tried in Queensland in a District Court, an appeal could not be made to the High Court direct, but the appellant would have to go first to the Supreme Court.

Senator DRAKE.—Cases have been taken directly from a Court of petty sessions to the High Court.

Senator STEWART.—I am very pleased to hear that intimation.

Senator Sir JOSIAH SYMON.—It has been done in Victoria.

DEPARTMENT OF HOME AFFAIRS.

Divisions 18 to 24, £166,803.

Senator STEWART (Queensland).—I took occasion some time ago to refer to what I believe to have been substantial grievances affecting a number of Commonwealth employés in Queensland. I am at a disadvantage in having to discuss those grievances at this late hour.

Senator Sir JOSIAH SYMON.—If my honorable friend wishes to have further time to deal with those cases, I shall be happy to agree to postpone division No. 20 until to-morrow.

Senator DOBSON (Tasmania).—I desire that the Attorney-General will to-morrow give us information in detail as to what appear to me to be extravagant items in connexion with the administration of the office of the Public Service Commissioner. We have such items as £500 for postage and telegrams, £500 for temporary assistance, £75 for writing paper and envelopes, £125 for office requisites, and so on.

Senator Sir JOSIAH SYMON.—I will bring all the information I can on every item.

Senator DOBSON.—It seems to me that much of this expenditure is extravagant, unless some satisfactory explanation can be given.

Division 20 (Public Service Commission) postponed.

Senator STEWART (Queensland.—I should like to know whether the commission of 6 per cent. is still being paid to States officers for supervising the erection of Commonwealth buildings. I think that 5 per cent. would be sufficient. Architects do not usually ask for more.

Senator Sir JOSIAH SYMON.—I presume that the same rate is being paid as was formerly paid, but I will ascertain for certain. In any case, I do not think that it would be worth while to disturb the rate which has been paid for four years for the sake of 1 per cent., especially as the amount will gradually diminish.

Senator McGREGOR (South Australia).—I may explain from my knowledge of the way in which the work is done in some of the States, that we have much more than the services of officers in the Public Works Departments of the States carrying on Commonwealth work. Sometimes a certain amount of plant is required, and that is all included in the 6 per cent. Taking all the facts into consideration, I do not think the amount is exorbitant.

Senator GIVENS (Queensland).—I think it has already been decided by resolution that it is desirable that the work of the Commonwealth in connexion with buildings should be carried out on the day-labour system. I should like to ask the Attorney-General if that is being done? Are the Government giving effect to the resolution, or are they ignoring it?

Senator PEARCE (Western Australia).—There is a work now being carried on by the Government, as to which the day-labour

system might well be applied. I refer to the Fremantle fortifications. That class of work generally lends itself to the day-labour system. I should like to ask the Attorney-General whether he will obtain a report from the officers of the Department as to whether that work cannot be done by day labour?

Senator Sir Josiah Symon.—I shall make a note of the matter, and see that it is taken into consideration.

Senator MULCAHY (Tasmania). — I cannot help expressing my regret that this schedule should be crushed into the end of the session when we cannot give to it that consideration to which it is entitled. I know something about the public works of one of the States, and from that experience I think that Parliament ought to be supplied with fuller information as to what officers are employed, the work which they supervise, and the cost per cent. of the supervision. Senator Dobson has made the suggestion, and I would emphasize it, that we should have an annual report from the Public Works Department, giving an account of the work done. I hope that the leader of the Senate will take that into consideration.

Senator WALKER (New South Wales). —I see that the salary set down for the Inspector-General of Public Works is £800. I understood that Colonel Owen was to receive £1,000 a year.

Senator Sir JOSIAH SYMON. — The salary is £800 a year. My honorable friend will no doubt be gratefully surprised to find that it is less than he thought. I shall certainly give consideration to the remarks with regard to a report from the Public Works Department. I know that in the States such reports are furnished to Parliament. It is an admirable system, and I shall take care that consideration is given to the suggestions made.

Senator DOBSON (Tasmania).—I have always been dissatisfied with this Public Works Department. I see that in addition to the Inspector-General, provision is made for the salary of a Superintendent of Works for New South Wales, and a similar officer in Victoria, at salaries, of £600 each. If these officers are necessary, I do not complain of their salaries, because we need to have men of professional experience. But the point which I wish to make is that we should, as far as possible, work through States officers. We have withdrawn from the control of the States Departments, the Defence, Post-office, and Customs buildings. Therefore, the States officers have less to do than formerly. Many of us objected to the appointment of an Inspector-General, thinking that the States officers could do the greater part of the work. I am aware, of course, that Sir William Lyne, when he was Minister of Home Affairs, said that he would not be responsible for public works that were carried out under officers who were not in his own control. If the Federal Parliament takes that view, there will be no such thing as bringing about harmony between the States and the Commonwealth. We ought to endeavour to use the States Public Works officers as far as possible, paying the States a 6 per cent. commission, which is a generous one. I could build a new house if I could afford it, paying 5 per cent. to an architect, and getting everything done.

Senator Pearce.—The 6 per cent. includes supervision, and the use of plant in many cases.

Senator DOBSON.—No doubt, it includes the use of scaffolding, and that kind of thing, but still, 6 per cent. is a very generous amount indeed. There is great room for extravagance under the present bastard system, under which we give 6 per cent. to States for carrying out some works, whilst other works are carried out under the direction of three important Commonwealth officers at high salaries. Is it the duty of the Superintendent of Works in New South Wales and in Victoria to overlook and inspect buildings in connexion with which we pay the 6 per cent. commission charge? If it is, we are paying through the nose for this work under the bastard system adopted. In my opinion, this Department is making for extravagance, and not for economy.

Senator Sir JOSIAH SYMON.—The Department is not making for extravagance, and it is making for economy. If the honorable and learned senator had studied the matter with a little more minuteness, he would have found that we are gradually doing what he desires should be done. It could not all be done in one day, and honorable senators will remember that there was the very greatest possible reluctance displayed against the creation of new Commonwealth Departments. There was very great objection urged to the establishment of any Commonwealth Public Works Department. For a considerable time, under the Barton Government, we struggled along in a hand-to-mouth way as best we could, but as time has gone on, we have been

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able to establish a Department, and we are now doing for ourselves a great deal of the work in respect of which the 6 per cent. commission had previously to be paid. If Senator Dobson imagines that these officers are appointed at salaries of £600 a year each to walk about the streets with their hands in their pockets, he is entirely mistaken. There is still some work which has to be done in the old way, but these officers have a great deal of work to do, and they relieve the Commonwealth of expense which was previously incurred in the payment of the commission to which reference was made.

Senator DOBSON.—Then there must be less work for the States officials, and the States Departments must be overmanned.

Senator Sir JOSIAH SYMON.—What have we to do with the States Departments?

Senator DOBSON.—We have this to do with them, that by bringing new men into the Federal Departments, old States servants must be dismissed, if there is not to be extravagance.

Senator Sir JOSIAH SYMON.—We cannot help that; that is a natural consequence of Federation, for which the honorable and learned senator voted.

Senator DOBSON.—I object to the creation of unnecessary Departments.

Senator Sir JOSIAH SYMON.—Does the honorable and learned senator contend that this is an unnecessary Department?

Senator DOBSON.—It is unnecessarily large, considering that we pay 6 per cent. commission to States officers for doing a great deal of the work.

Senator Sir JOSIAH SYMON.—We are not paying 6 per cent. commission where our own officers are doing the work.

Senator STEWART (Queensland).—Some time ago we passed, in an Appropriation Bill, a vote of £117,000 for additions, new works, buildings, &c., and on the Estimates we have another vote of £90,000 for works and buildings.

Senator Sir JOSIAH SYMON.—We have not come to that vote yet.

Senator STEWART.—I wish to know why all the expenditure on public works is not put under the one heading, that it might all be under our eyes at the same time?

Senator GIVENS (Queensland). — I asked a question, to which I have, so far, received no reply. I wish to know whether the Government propose to take into consideration the motion passed by the Senate, at the instance of Senator Pearce, to the effect that work of this kind required to be done by the Commonwealth, should be done by day labour. The Attorney-General said that that course might be adopted with respect to one work in Western Australia, but I think that the application of the principle to all works carried out by the Commonwealth requires consideration from the Government.

Senator Sir JOSIAH SYMON.—I apologize to my honorable friend, if he thinks that I overlooked his question. I thought I was answering the abstract question in answering the specific question put by Senator Pearce. I intended to do so. The terms of the motion referred to are being carried out wherever they are applicable.

Senator STEWART (Queensland).—I should like some explanation of the matter to which I referred just now. Some time ago we passed an Appropriation Bill dealing with additions, new works, buildings, &c., in connexion with which we voted a sum of £117,000. We are now asked to vote an additional sum of £90,000, and I should like to know why these votes have been separated?

Senator Sir JOSIAH SYMON.—This vote of £90,000 has no relation whatever to what I may call the structural works and buildings, dealt with by the Bill we had under consideration the other day. That Bill dealt with new works, whilst the honorable senator will find that the item on which this vote will be expended are set out in detail, and cover rent, repairs, maintenance, fittings, and furniture.

Senator KEATING (Tasmania).—A vote of £3,000 is put down to make provision for Sydney Government House, and I should like to know whether this provision is made in respect of what is known as the State Government House at Sydney, or a distinctly separate building, used only for the purposes of the Commonwealth. We find here such items as "Maintenance of house, £500; maintenance of grounds, £1,000; telephones, £100; postal charges, £50; fittings and furniture, £100; flags, £25; lighting on public occasions and for offices, £250, included in the total vote of £3,000." I believe that at the inception of the Commonwealth it was necessary that Sydney Government House should be used by the Governor-General, who stayed in that city for some time. But since the first and second Governors-General have departed the place has been used as a residence only on odd occasions. The Governor-General, how-

ever, visits other States besides the State of New South Wales, and I should like to know whether it is the intention of the Government to provide him with official residences in those States. Why should one State be singled out for special treatment? The Governor-General must, of course, have a residence in Victoria while the Seat of Government remains in Melbourne. If we maintain a separate establishment for him in New South Wales, we should do the same thing in Queensland, South Australia, and Tasmania, which he intends, I understand, to visit in the near future.

Senator MULCAHY. — Three thousand pounds is more than we pay our Governor in Tasmania.

Senator KEATING.—If the money is paid in respect to a Government House used by the State authorities as well as by the Governor-General, I would like to know why similar arrangements are not made in regard to the other States, all of which the Governor-General is expected to visit. Is the Commonwealth committed in perpetuity to the maintenance of a Government House in New South Wales merely for the pleasure of a few people in that State? This seems to be like throwing a sop to Cerberus. We are trying to placate the people of New South Wales, who are dissatisfied because the Seat of Government is not fixed in Sydney, and cannot be located within a hundred miles of that city. Does the Governor-General visit New South Wales more than any other State?

Senator Sir JOSIAH SYMON.—Yes.

Senator KEATING.—Is there any reason why he should do so? Victoria is the State in which he is domiciled. Even if he visits New South Wales more frequently than he visits the other States, why should we maintain a residence for him there all the year round? How many months in the year has the present Governor-General resided in Sydney? He has been in Queensland for a longer period, I think, than in New South Wales. Is there any reason why we should provide £250 for the lighting of a Government House which is used only occasionally or £20 for flags, or £100 for china and glass, and £1,000 for the maintenance of the grounds. Surely the Government of New South Wales is able to extend hospitality to the Governor-General when he visits that State, and does not expect the Commonwealth to provide £3,000 to relieve her of that responsibility. I venture to say that when the Governor-General recently visited Queensland the Government of that State, on behalf of its people, put its hand into the Treasury and extended to him a welcome suited to his dignity. Similarly, when he goes to Tasmania, as he will do shortly, the Government of Tasmania will supplement the private hospitality of the Governor of that State, and treat him in a manner befitting his high position. But why should the Commonwealth provide him with a house at an expense of £3,000 a year for the rare occasions when he visits New South Wales? We should take a stand against this expenditure, and determine that there shall be only one Governor-General's establishment, known as the Government House of the Commonwealth, and situated where the Seat of Government is. While the Seat of Government remains temporarily in Victoria the Commonwealth Government House should be in Melbourne, and when a Federal Territory is chosen in New South Wales, and the Seat of Government is fixed there, the Commonwealth Government House should be there, and there only.

Senator Sir JOSIAH SYMON.—There is a great deal of force in what the honorable and learned senator has said, and the time will probably soon come when the advisability of continuing to maintain a residence in Sydney for a Governor-General must be considered. I would, in the first place, inform the honorable and learned senator that the vote is for the maintenance of a residence which is used exclusively and solely by the Governor-General. Not only did the people of New South Wales put their Government House at the disposal of the Commonwealth free of rent, we merely maintaining it——

Senator GIVENS.—A very favorable arrangement for New South Wales.

Senator Sir JOSIAH SYMON.—My honorable friend will not say that unreservedly when I inform him that, to enable them to do so, they had to obtain another residence for their own Governor.

Senator KEATING.—Would the Government accept a similar offer from Tasmania?

Senator Sir JOSIAH SYMON.—The visits of the Governor-General to other States are much less frequent, and of shorter duration, than those which he pays to New South Wales, the present occupant of the office, who has been in Australia for only a short time, having already resided four months in the Sydney Government House. The origin of this arrangement

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was not at all open to criticism. The first Governor-General was sworn in in Sydney, and the inaugural ceremonies connected with the inception of the Commonwealth took place there, Sydney being at the time *de facto*, though perhaps not *de jure*, the Seat of Government. Certainly, New South Wales is not a gainer by the arrangement.

Senator MULCAHY.—At any rate, the amount put down here is too large.

Senator Sir JOSIAH SYMON.—I do not think so.

Senator MULCAHY.—If the Governor-General had to keep up the establishment himself, he would do it quite as well for a smaller sum.

Senator Sir JOSIAH SYMON.—The criticism of Senator Keating is directed to a principle which I appreciate. This is not like the humble kind of edifice that I should live in, but is a palace, and we have to consider the grounds and the expense of an army of gardeners. Senator Keating has called attention to a principle, which will have to receive great consideration at a very early date.

Senator DOBSON.—Which has received consideration.

Senator Sir JOSIAH SYMON.—That is so, and will continue to receive it. At present we are still very much in the experimental stage, if I may use the expression, but so far as the actual expenditure is concerned, it does not appear to me to be unreasonable.

Senator WALKER (New South Wales).—I should like to draw the attention of Senator Keating to section 125 of the Constitution Act, from which he will see that the Seat of Government is at the present moment supposed to be in New South Wales. That section provides that the Commonwealth Parliament shall meet in Melbourne until the establishment of the Seat of Government within the borders of New South Wales, so that perhaps his remarks have not the force for which he contends.

Senator GIVENS (Queensland).—As a fact, the Seat of Government must be in Melbourne, until established in New South Wales and there is no time limit. I thoroughly agree with the remarks of Senator Keating, and I hope that that honorable senator is thoroughly in earnest, and will support a motion with the object he has advocated. As a protest against this unwarranted expenditure of £3,000, I move—

That the House of Representatives be requested to leave out subdivision 1 of division 23, "Sydney Government House, £3,000."

If it is justifiable for the State of New South Wales to maintain a residence for the Governor-General, it is justifiable for Tasmania, South Australia, Western Australia, and Queensland to do the same. The present is a most inequitable arrangement. It is as justifiable from a society or any other point of view that the Governor-General should visit the other States I have mentioned, and that proper accommodation should be provided for His Excellency. On no other principle can a Government House be justified in Sydney than that it is necessary for the proper accommodation of the Governor-General; and the same justification holds good in every other State.

Senator TRENWITH (Victoria).—I appreciate the remarks of Senator Keating, and I think there should be a time fixed for the termination of the existing arrangement. The Federation was inaugurated in New South Wales, and there had to be special provision made for the Governor-General; and to disallow this item now would be, it seems to me, to break the agreement.

Senator WALKER.—It would be very ungracious.

Senator TRENWITH.—But I urge on honorable senators the necessity to give consideration to the question of when the present arrangement shall be terminated, or when similar provision shall be made in the other States. At present the actual Seat of Government is in Victoria; but, according to the Constitution, there must be a time when that arrangement shall come to an end. There should be in the near future a termination of an arrangement which was necessary at first, but is not necessary now. At any rate, if the arrangement is necessary in a degree now it will cease to be necessary in a very short period. I hope the Government will consider this question, and, by next session, they may perhaps tell us when this dual expenditure is to end.

Senator TURLEY (Queensland).—There is a good deal of force in the contention of Senator Keating. It has been stated that the Governor-General spends considerably more time in New South Wales than he does in some of the other States. That may be so, but the present arrangement was apparently made at the inauguration of Federation, when economy did not seem to be ex-

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ercised in connexion with the office of Governor-General. In my opinion, all the States should be placed on an equal footing. I do not suppose for a moment that the Government of New South Wales "make" anything out of the particular amount placed on the Estimates. A separate residence has to be provided for the State Governor at Rose Bay, so that I suppose their expenditure is quite equal to the amount received from the Commonwealth.

Senator Trenwith.—Probably more.

Senator TURLEY.—It may cost more, but, at the same time, when the Governor-General visits any of the other States, I understand that he is entertained by the States Governors, and that the States' Treasuries assist in bearing the expense. Apart from the fact that this system was apparently inaugurated at the establishment of the Commonwealth, I do not know that there is any particular reason why these items should continue to appear on the Estimates year after year. The Attorney-General admits that there is a great deal in the contention that the States should be placed on the one footing in this regard. I suppose that when the Governor-General is located at the Federal Capital, Melbourne will not look to the Federal Government to ask Parliament to vote a considerable sum each year for the maintenance of the Government House, which is now occupied by His Excellency.

Senator Givens.—Oh, yes, it will.

Senator TURLEY.—It is quite possible that there may be some contention on the subject. It may be urged that the same consideration should be extended to Melbourne that has been extended to Sydney. But I feel satisfied that when that time comes there will be a big majority in the Senate, if not in the other House, who will be opposed to such a discrimination being shown in favour of a State. I feel quite satisfied that the Parliament will not approve of the Government placing on the Estimates items for the purpose of obliging a few society persons, who look upon the Governor-General as a sort of pivot round which to revolve. The Government ought to seriously consider whether it is not wise to bring to an end a custom which was introduced at the establishment of the Commonwealth, and to make a definite statement of their intentions next session. We cannot expect these items to be removed suddenly from these Estimates, because a contract has been entered into, and one-half of the money has been already spent. As regards the second half of the year, the servants are under engagement for a term, and notice would have to be given to New South Wales that the understanding as to the use of Government House would terminate on the 30th June, 1905. If that is the position which the Attorney-General takes up it ought to be satisfactory for the time being, and next year we may expect to find no such items appearing on the Estimates.

Senator GIVENS (Queensland).—It has been pointed out that a portion of this money has been expended, and consequently it would not be fair to omit the whole amount. It has also been urged that obligations for the expenditure of a considerable sum have been incurred, and that, therefore, it would not be fair to wipe it out. For that reason, I would ask leave to alter my proposal with a view to reduce the item by £500.

Senator Sir Josiah Symon.—As Senator Turley has said, obligations have been incurred, and we must pay the gardeners and other men.

Senator GIVENS.—It does not matter what Senator Turley has said. No obligation to incur the whole of this expenditure has been placed upon us. There is no necessity to give a servant or a caretaker six months' notice, nor is there any occasion to give any notice to the New South Wales Government, because the building is rent free. There have only been obligations incurred in respect to a portion of this money. All this talking about economy is simply useless, if we are not prepared to back up our words by our votes. I intend to call for a division, if I can only get an honorable senator to support me, because it is grossly unfair to the taxpayers to keep up this extravagant expenditure mainly for the benefit of society people in Sydney, who want a sort of circle round which to revolve, and to which the general taxpayers are never called. If society people in Sydney want this social centre, there is no earthly objection to their paying for the privilege, but to ask the taxpayers, who in very many cases are enduring great hardship and suffering, to pay £3,000 a year for that purpose is very unfair. If it is right to expend this money in the interest of Sydney people, it is equally right to adopt this policy at Hobart, Perth, Adelaide, and Brisbane. In the case of a proposal to which he is opposed, the Attorney-General can always discover constitutional difficulties. I ask him if this item is not a

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discrimination between one State and the others.

Motion, by leave, withdrawn.

Motion (by Senator GIVENS) proposed—

That the House of Representatives be requested to reduce subdivision 1 of division 23, "Sydney Government House, £3,000," by £500.

Senator TRENWITH (Victoria). — I would urge Senator Givens not to insist on dividing the Committee. We have not yet been able to wipe out completely the local jealousies which prevailed. To reduce this vote suddenly would have a tendency to cause bad feeling. The Attorney-General has admitted that this system on the face of it contains the essence of inequity, that it cannot be continued, that it grew upon the Commonwealth under circumstances which are quite inexcusable. He has promised, I understand, to give consideration to the matter with a view to submitting a recommendation on the subject next year. In view of the extraordinary circumstances in which the Commonwealth was inaugurated, that is all we can ask. I again strongly urge Senator Givens not to call for a division, as to do so might intensify the feeling that we know to exist between New South Wales and Victoria. I do not think there is any justification for that feeling, but we know that it exists, and we ought not needlessly to do anything to increase it.

Senator KEATING (Tasmania).—I have given expression to my feelings with regard to the inclusion of this item in the Appropriation Bill, and I have heard what the Attorney-General has said with regard to it. He has agreed in substance with my criticism, and I feel sure that after the debate that has taken place, the Government will recognise the advisableness of reconsidering the whole division, and of discontinuing the present policy. I do not agree with Senator Givens, that it is practicable for the House of Representatives to reduce this item now. As pointed out by Senator Trenwith and Senator Turley, it would be extremely awkward and inconvenient to do so. We should be disturbing the arrangement made with New South Wales, which has incurred considerable expense in connexion with the Sydney Government House. I am perfectly satisfied with the views expressed by the Attorney-General, and I am not prepared to do anything which may be impracticable in making a request to the other House, to which effect cannot be given. The House of Representatives will be compelled to recognise that a change in policy cannot be made immediately. At least something like six months' notice must be given to New South Wales. I trust that the Government will recognise what the feeling is, and that in future there will be only one Governor-General's residence in the Commonwealth.

Senator GIVENS (Queensland). — We are all agreed that some reform is necessary in this and other matters. But a large number of persons who profess to be in favour of reform, always want to see it carried out next year. They are never in favour of it here and now. We have nothing to do with next year. Some of us may be dead. Yet we are to shelve our responsibilities until next year. Our duty is to see that this reform is effected now. What is the use of our saying that reforms ought to be carried out, and that economies ought to be effected in the interests of the States which are suffering the pangs of retrenchment, when we do nothing to give effect to our views by our votes? Even if I stand alone, I shall call for a division.

Senator TURLEY (Queensland).—I think that Senator Givens is right in insisting on a division, though I do not intend to vote with him. Any one who holds strong opinions regarding matters of this sort, and who thinks it to be necessary to move for the reduction of an item, ought to push his motion to a division. But the reason why I do not intend to vote with my honorable friend, is that I recognise that the New South Wales State Government House has been handed over to the Commonwealth as a residence for the Governor-General. The New South Wales Government have entered into obligations with private people. They have rented a house for their State Governor. We know perfectly well that they could not rent a house of that kind for a week. They could not give a week's notice, and say, "We will clear out next Saturday." The expense must continue so far as they are concerned. What is more, we cannot save more than a few pounds in the upkeep of the establishment in Sydney. We must maintain people to look after the House and grounds. If we were to dismiss all the men engaged in the grounds at the present time, at the end of six months we should find that it would cost more to put them in repair again than

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it will cost to keep them in good order all the time. It should be satisfactory for honorable senators to know, on the word of the Attorney-General, that next year we shall not be asked to vote a sum of money to give preferential consideration to one State over that which is afforded to every other State in the Union.

Senator STEWART (Queensland). — I have listened with great interest to Senator Turley and Senator Keating, and I am glad to find that both of them are opposed in principle to the maintenance of an establishment for the Governor-General in Sydney. But I am sorry that they do not go further. They appear to think that when the next Estimates come before us, this item will be omitted. What reasons have they to anticipate anything of the kind? The Attorney-General has stated that the Government will consider the matter. No doubt they will, and that they will decide to continue to maintain the Sydney Government House. I wish to point out to honorable senators who are opposed to this expenditure that the only way in which they can signify their disapproval is by supporting the amendment. Anything they may say here in the course of debate will not for a moment be considered by the Government, and unless honorable senators are perpared to back up their statements by their votes, they are simply wasting time.

Senator TURLEY.—Larger sums have been voted in previous years, and no objection has been raised.

Senator STEWART.—The honorable senator could not have made himself acquainted with our proceedings in previous years, or he would know that a battle-royal raged round the question of this expenditure upon a former occasion. All we want now is his vote.

Senator TURLEY.—The honorable senator will not get it.

Senator STEWART.—If the honorable senator, and others, including Senator Keating, and Senator Trenwith, are opposed to the proposed expenditure they should support the amendment.

Senator TRENWITH.—We are opposed to the continuance of the expenditure, and we have reasonable grounds for supposing that it will not be perpetuated.

Seantor STEWART.—The honorable senator is easily satisfied.

Senator TRENWITH.—My experience is that when Governments make promises, such as that given by the Attorney-General, they keep them.

Senator STEWART.—I have no hesitation in saying that the Attorney-General is now laughing in his sleeve. I find that since the establishment of the Commonwealth we have spent no less a sum than £25,980 in maintaining the Government Houses in Melbourne and Sydney. I suppose that nearly half of this amount has been expended in Sydney, and practically wasted.

Senator TURLEY.—A good many honorable senators have been parties to the waste.

Senator STEWART.—I have been an unwilling party to it. I have always been opposed to this expenditure, and voted against it. I intend to do so on the present occasion.

Question—That the House of Representatives be requested to reduce subdivision 1 of division 23 "Sydney Government House, £3,000," by £500—put. The Committee divided.

Ayes	3
Noes	10
Majority	7

AYES.

Higgs, W. G.	*Teller:*
Stewart, J. C.	Givens, T.

NOES.

Baker, Sir R. C.	Trenwith, W. A.
Drake, J. G.	Turley, H.
Keating, J. H.	Walker, J. T.
Mulcahy, E.	
Smith, M. S. C.	*Teller:*
Symon, Sir J. H.	Clemons, J. S.

Question so resolved in the negative.

Request negatived.

Senator GIVENS (Queensland).—I note that an amount of £800 is set down for maintenance, including a contribution towards the erection of a fireplace, at Government House, Melbourne. The fireplace in question must surely be a costly one to merit special notice. Further, I would direct attention to the fact that we are contributing only a portion of the expense. I see that £500 is set down for expenditure upon caretakers, charwomen, and miscellaneous services. I venture to say it would be interesting to have the detailed items of this vote, that we might compare the salaries paid to caretakers and charwomen with those paid to certain other officials. It is just as important that we should have before us the actual salary paid to the humblest individual in the employ of the Commonwealth

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as that we should have before us the salary paid, even to the Governor-General himself. Caretakers, charwomen, and miscellaneous expenditure are bundled together, and I ask whether honorable senators, who come here representing the whole community. and not a particular section, are willing to allow this to pass without a protest. I hope the Attorney-General will be able to give us some satisfactory explanation of why these people are treated in this way.

Senator Sir JOSIAH SYMON.—I shall endeavour to give my honorable friend that information to-morrow.

Progress reported.

LIFE ASSURANCE COMPANIES BILL.

Bill received from the House of Representatives, and (on motion by Senator Sir JOSIAH SYMON, for Senator PEARCE), read a first time.

SEA-CARRIAGE OF GOODS BILL.

Bill returned from the House of Representatives, with amendments.

Senate adjourned at 12.20 a.m. (Wednesday).

House of Representatives.

Tuesday, 13 December, 1904.

Mr. SPEAKER took the chair at 2.30 p.m., and read prayers.

DEFENCE BILL 1904.

Assent reported.

PETITION.

Mr. HARPER presented a petition from the Victorian Chamber of Manufactures praying the House not to pass the provisions in the Trade Marks Bill relating to the recognition of union labels.

Petition received and read.

Mr. BAMFORD.—I notice that the petitioners do not refer to honorable members, as "in Parliament assembled." I desire to know whether the petition is in order?

Mr. SPEAKER.—The form adopted by the petitioners varies somewhat from that usually employed, but it is not contrary to the Standing Orders.

PAPERS.

MINISTERS laid upon the table the following papers:—

Amendment of financial and allowance regulations under the Defence Act 1903.

Transfers approved by the Governor-General in Council under the Audit Act.

PREFERENTIAL TRADE.

Mr. BRUCE SMITH.—I desire to know the intentions of the Prime Minister with regard to the order of business as affecting the motion standing in the name of the honorable and learned member for Ballarat on the subject of preferential trade? The honorable and learned member for Ballarat is reported in the press as having stated that he intends to force his motion to a division.

Mr. REID.—No one can do that.

Mr. DEAKIN.—And I have not made any such statement.

Mr. BRUCE SMITH.—I should like to know the intentions of the Prime Minister with regard to the motion? I understood that only the mover and the Prime Minister were going to speak for the present, and that the debate was to be adjourned, in order to permit other honorable members to take part in it at a subsequent date.

Mr. REID.— I should not like to be held responsible for every newspaper paragraph with reference to my intentions.

Mr. BRUCE SMITH.—But I desire to know the right honorable gentleman's intentions.

Mr. REID.—I am speaking of the newspaper paragraph to which the honorable and learned member has referred. I do not think that the honorable and learned member for Ballarat would ever apply the term "force" to this Parliament, because no honorable member could apply such pressure as would thereby be implied. With reference to the question of the honorable and learned member for Parkes, I wish to say that I have already announced that we propose to first consider the Sea-Carriage of Goods Bill, and to resume the discussion upon preferential trade immediately afterwards, and continue it to-morrow.

IMPERIAL DEFENCE.

Mr. HIGGINS. — I wish to know whether the Prime Minister has read the cablegrams published in this morning's newspapers, with reference to the discussion that has taken place in Great Britain upon

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the subject of Imperial defence, and whether he can see his way to adopt means to place before the British public, from time to time, the true Australian position, thereby dispelling the grotesque misapprehensions which have arisen.

Mr. REID.—I am afraid that there will be some difficulty to so express the true Australian position as to satisfy every honorable member. I have expressed my own views pretty strongly, but I should be very slow to think that because I happened to be the Prime Minister of the Commonwealth, I was, therefore, entitled to express the Australian view upon this subject.

Mr. HIGGINS.—The right honorable gentleman might express the views of himself and his colleagues.

Mr. REID.—I am too busy just now. Perhaps in the recess I may have time to attend to the matter; but I do not at present propose to refer to the pronouncements made in the old country. The subject has been discussed at many conferences, and will, no doubt, be again considered at many others in years to come. I do not feel that I could at present usefully attempt to put forward any view as that of Australia upon the subject.

Mr. HIGGINS. — No message would be sent to the right honorable gentleman, and, therefore, the only means of expressing the Australian view would be by using the newspapers.

Mr. REID.—If that course were adopted it would save me some trouble. The honorable and learned member will see that it is rather a difficult matter for a Minister, especially when he is busily occupied, to take notice of telegraphic newspaper reports. If I ventured to express a semi-official view upon the subject, I should proceed to do so only after very careful deliberation.

COUNCIL OF DEFENCE.

Mr. WATSON.—I desire to ask the Minister of Defence whether he is yet prepared—and if not, how soon he will be—to announce the names of the gentlemen who are to be appointed to the Council of Defence.

Mr. McCAY.—I am not yet in a position to make any announcement on that subject. The usual practice in these matters is to communicate with the gentlemen concerned, and, after making the appointments, to gazette them. There are other appointments besides those of the members of the Military and Naval Boards which have to be considered. Of course, the Council of Defence will be constituted of various gentlemen occupying either political offices or positions on the Boards; and appointments to some of the higher offices, including three commandantships, have also to be considered. Therefore, I am not in a position to make any announcement just now.

Mr. WATSON.—Can the Minister give us any indication of the manner in which the positions will be filled?

Mr. McCAY.—I am endeavouring to complete the work as soon as possible, and I may be in a position to make an announcement before the end of the week; but I cannot say for certain.

QUEENSCLIFF ROAD GRANT.

Mr. CROUCH.—About four months ago I introduced to the Prime Minister, a deputation from the Borough of Queenscliff, which asked for a subsidy to aid in maintaining roads, &c., leading to the Queenscliff forts. The Prime Minister promised to consider the matter, and forward a reply. I am now in receipt of a letter from the Town Clerk of Queenscliff, which reads as follows:—

> I have the honour, by direction of my Council, to ask if the honorable the Prime Minister has taken any further action in regard to the Council's request for a grant to aid in maintaining roads, &c., leading to the Queenscliff forts. I have not received any reply to my letter to the Secretary for Home Affairs, a copy of which I forwarded you last month. Any information *re* this my Council will be pleased to receive.

I shall be glad to learn if the Prime Minister has given the matter any attention?

Mr. REID.—Beyond making up my mind in pursuance of the promise I gave, I have not done anything further. I am quite resolved that the Borough Council shall get something; but unfortunately I have not been able to carry the matter to a conclusion.

SEA-CARRIAGE OF GOODS BILL.

Second Reading.

Debate resumed from 8th December (*vide* page 8168), on motion by Mr. McLean—

That the Bill be now read a second time.

Mr. JOSEPH COOK (Parramatta).—I do not intend to occupy the attention of the House for many minutes. I should have been content to say nothing upon the motion for the second reading, but for the curious misunderstanding which is very largely prevalent in some quarters concerning the scope

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and intention of the measure. For instance, it is assumed that we are proceeding wantonly to impose certain restrictions upon ship-owners for which there is not the slightest warranty, and that we intend to do this in a manner for which there is no justification whatever. Certain writers in the newspapers have misrepresented the purposes of the Bill, and therefore I desire to say a few words, more particularly with regard to the difficulties which the measure is intended to meet. I take it that no man in this Chamber—at least I hope not—wishes to do anything which would have the effect of imposing unfair conditions upon any of the ship-owners in Australia. We recognise to the full the close relationship which exists between their business and the great producing interests of Australia; and we realize, further, that we are dependent upon them under present conditions for the means of transport to the profitable markets of the old world. My purpose is to do nothing which would prevent a perfectly just settlement of the difficulties which now exist between the ship-owners and the exporters of Australia. It is not the wish of those who are in favour of the Bill to hurt the ship-owners, their sole object being to bring to an end a condition of affairs which, I venture to say, is anomalous, and which prevails in hardly any other part of the world. I do not intend to rely upon my own statements in justification of the assertions I have just made. I have here some testimony which has been furnished on oath to the Navigation Commission. Evidence has been given by the exporters of Australia with reference to the kind of bill of lading that we are proposing to attack, and I hope honorable members will bear with me whilst I make one or two short extracts which will furnish a reason for the proposed change. I have a copy of the bill of lading, which is used by the Adelaide Steam-ship Company, and which, I believe, is typical of those used by the steam-ship owners of Australia. Under this Bill the Company declare that they will not be responsible for any loss, damage, or delay arising from a great number of causes, and they conclude by saying that they will not be responsible for any damage or losses caused by pirates, robbers, or thieves on shore, or on board the ship, whether they be servants of the company or not. I say that that is a most astounding condition to be incorporated in any bill of lading.

Mr. MAHON.—How long has it existed?

Mr. JOSEPH COOK.—I understand that it has existed for some considerable time. This form of bill of lading is the outcome of continuous growth; it is not a thing which has suddenly developed, but it has reached its present condition as the result of years of manipulation. In it we are told point-blank that a company will not be responsible if their own servants thieve, for example, fruit. The bill of lading goes on to say that the company will not be responsible for any damage to goods arising from the contact of certain other goods of a harmful nature. That is to say, the company are at liberty to place fruit, kerosene, and butter together in the hold, and if the kerosene taints the fruit or the butter, the ship-owners will not be held responsible for the damage. The bill of lading also specifies that even if the hatches be left open, as the result of carelessness, the company must be free from liability. It further indemnifies the company from loss if goods are injured by the entry or admission of water into the ship's hold from any cause, or for any purpose. One would think that the least these companies could be expected to do would be to see that the hatches were properly looked after. Another provision exempts the companies from liability on account of bad stowage. I claim that there can be no excuse for such a condition being inserted in any contract. The least which the companies might be required to do would be to undertake to stow the goods to the best possible advantage. That is a matter over which they could exercise control, and which would involve only efficient oversight. It is well known that at times fruit is packed in delicate cases in the hold, and I am assured that in some ships the rule is to place stout planks over the cases, so that persons may walk over them with perfect safety. Other vessels, however, do not use these planks, and, consequently, it may happen that a man weighing thirteen or fourteen stone may tramp over the cases, and so injure the fruit. Yet the companies lay it down that they will not accept responsibility for damage thus occasioned. How this practice works out will be seen by a concrete case, which is furnished by the gentleman to whose evidence before the Navigation Bill Commission I have been referring. He says—

In July of this year we sent a large consignment of fruit trees to South Africa. The ship in which they were stowed, in consequence of defective electrical appliances, had a fire on

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board, and the packages were practically destroyed. This occurred just outside the heads. The ship returned to Williamstown. The goods, or what were left of them, were packed in the stevedores' shed there, and we were called upon to pay £105 on the consignment. That was for freight. We objected to pay, but after obtaining the best legal advice, we found that we had to pay up.

He then went on to cite another instance of injustice. He said—

We sent goods of a similar character to Fremantle. There is a verbal agreement or a general understanding that goods of this sort shall be stowed either on top of cargo, on the hatches, or in between deck spaces, so that other cargo will not be allowed to injure it. We saw our goods safely stowed in Melbourne, but in Adelaide heavy cargo was piled up on top of them. The goods were destroyed. I have not got the exact amount of their value, but it was about £400. The amount of freight which the company charged was £40 5s. 9d.

In that case the shippers had to pay the freight even though their goods were absolutely destroyed by the company. I think that honorable members will agree that that is an unjust state of affairs, and that it ought to be remedied at the earliest possible moment. The same witness quoted a third case, which is equally bad. He further declares that half his total shipments last year landed him in serious loss, owing to bad handling. This is the condition of things which it is sought to meet by this kind of remedial legislation. I should be very sorry to think that all companies were equally remiss, either in the want of care which they exercise over goods committed to their custody, or in the reasonableness of their attitude when these calamities occur. I believe that some shipping companies are only too willing to meet the unfortunate shipper under such circumstances, and that they pay large sums in compensation. But there are some companies who do not adopt that reasonable attitude, and it is for such contingencies that we have to enact this kind of legislation. We all recognise that if every individual in the community could be a law unto himself, we should not require to legislate against wrong-doers. It is the individual who will not subscribe to the best instincts of humanity for whom we must make provision in our legislation. So it is with the honest ship-owners. They have to take their place side by side with those who will not pay any regard to what is fair to the shippers. I would here point out that the Bill fixes no responsibility whatever upon the ship-owner. It leaves that responsibility at large, so to speak, to be decided in a Court of law, or by some such process.

Mr. Kelly.—That offers a great chance for the lawyers, similar to that which they enjoyed under the Harter Act.

Mr. JOSEPH COOK.—If it offers a great chance for the lawyers, I apprehend there must be some reason for the enactment of this measure.

Mr. Kelly.—I hope that is not the only reason.

Mr. JOSEPH COOK.—There are certain troubles to be met with which can only be dealt with in a law Court, and if there is no other way out, I do not think that we should shrink from facing it. I believe that the only result of freeing these bills of lading from their present objectionable features, will be to cause the steam-ship owners to exercise a little more care than they do at present. I do not apprehend that there will be constant litigation, and that this Bill will thus furnish a great harvest for the lawyers. If the ship-owners exercise a little more care over the goods committed to their charge, I do not think they need fear any evil results from this measure. It cannot injuriously affect ship-owners who endeavour to do a fair thing as between themselves and the shippers. I have already outlined the scope of the measure. It does not provide that the ship-owners shall be responsible for the safe conduct and preservation of all perishable products committed to their care. Nothing of the kind. It simply declares that the matter of responsibility may be determined afterwards in a law Court if it cannot be otherwise settled between them. So far as the fruit-growers and producers are concerned, they need not take advantage of this legislation unless they wish to do so. I am aware that all sorts of threats have been made to the effect that the companies will increase the freights upon perishable produce. It is even suggested that there is a possibility of some of them absolutely refusing to carry such commodities. I trust that they will not attempt to do anything of the kind. If they do take such an extreme step, it will be time for this Parliament to intervene in the interests of the producers. I imagine that we have resources enough to deal even with a difficulty of that character. I hope that such statements will not continue to be made, because there is not a title of justification for them. When the measure emerges from Committee with the reasonable amendments which the Prime Minister intends to submit, and which I believe will be accepted, I think we shall have

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attained to a point of justice which ought to inhere in any arrangements of this kind.

Mr. GLYNN (Angas).—I hope that the Bill will be passed with as few amendments as possible. The only one which I can at present see my way to support—and it must first be subjected to some modification—is that outlined by the honorable member for Franklin, who proposes to suspend the operation of the Bill as regards existing contracts for one year. To my mind, the contracts to which the amendment should refer are those which were entered into prior to the introduction of this measure into the Senate upon the 17th of November last. It is very important that fair conditions of carriage should be afforded to shippers. Let me take, for example, the fruit-growing industry. Australia exports 600,000 cases of fruit annually. The trade is an increasing one, and if conditions are inserted in bills of lading similar to those to which reference was made by the honorable member for Parramatta, they must to a great extent impose an embargo upon the export of a certain class of goods. I hold in my hand several bills of lading which practically exempt the ship-owners from almost every conceivable liability. To put the matter generally, one of these agreements exempts the company from any damage arising from defects in machinery, breakages, &c., and "from the consequences of any act, default, or error of judgment of the master, officers, engineer, crew, or other person in the service of the owners, and from any other cause whatsoever." Then it exempts the owners from responsibility on account of the injurious effects of one class of goods upon another. I believe that a good deal of damage has been wrought as the result of improper storage upon vessels. There is a further exemption from damage sustained as the result of defects in hull, tackle, boilers, &c. How are these exemptions recognised by courts of justice? In 1902 a case was heard in Western Australia which shows what may occur under these extraordinary bills of lading, which—as was pointed out by the honorable member for Parramatta—have grown little by little, until they now practically exonerate the owners from all liability. In this case the A.U.S.N. Company was sued for £3 damages by Messrs. H. D. and B. Simper, in whose favour the magistrate decided. An appeal was made to the Supreme Court of that State, which regretfully upset the decision of the magistrate upon the ground that the bill of lading exempted the company from loss under the circumstances mentioned. What are those circumstances? The Chief Justice mentions that the necessary inference to be drawn from the facts was that the oranges in question had been stolen during the course of the voyage, and stolen, too, by the company's servants; but the bill of lading declared that even if the oranges were so stolen, there should be no liability. Surely that is an unfair exemption. The judgment of Mr. Justice McMillan coincided with the reasons given by the Chief Justice. His attention had been drawn to the English law. I believe that the English law is, first, that all the liabilities which we say shall not be contracted out by bills of lading, are imposed upon ship-owners in the United Kingdom. There is there, to some extent, a power of contracting out; but it is gradually being limited, and the limitations are subject to one condition. They are pretty extensive now, but they are subject to the condition that, if the Court considers them just and reasonable, they will bind. In other words, if it is just and reasonable that the ship-owner shall not be liable for certain risks, and exemption from those risks is provided for by agreement, that exemption will hold good. That shows that the English Courts have gone a long way towards preventing exemptions of the character we, by this Bill, say should be prevented. Mr. Justice McMillan, speaking in reference to the unreasonableness of the exemptions referred to, regretted that he had not the power to decide that the bill of lading was bad because the conditions incorporated were unjust and unreasonable. But, he says, that power does not exist, and he is bound to apply the law. Had he been invested with that power, he would have had no hesitation in saying that the contract was neither a just nor a reasonable one. Under it, freight was payable in advance, and if, during the voyage, the company had suffered its servants to steal the goods, it could afterwards hand over the empty cases to the unfortunate shipper who had paid the freights and would have no remedy.

Mr. HIGGINS.—Does the honorable and learned member consider the Judges the proper persons to say what is reasonable?

Mr. GLYNN.—Very often they are, but I do not think that we should make provision giving this power to the Judges.

Mr. FOWLER.—Is that the state of the English law at the present time?

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Mr. GLYNN.—Yes, and there is a similar provision in the New Zealand Act. As honorable members know, they move rather slowly in England, and rather fast in New Zealand. All I say is that the trend of English legislation is in the direction of preventing these exemptions incorporated in bills of lading. I think that Parliament can decide whether conditions are unjust and unreasonable. It is on the assumption of their injustice and unreasonableness that this legislation is proposed. A good deal has been said about the Harter Act. There is no reason why we should follow on the exact lines of that Act. I believe it originated in this way: Several of the American Courts had decided that by common law these exemptions were unlawful, but on a case coming before the English Courts, and being brought by appeal to the Privy Council, it was decided that the law to determine the possibility of exempting by agreement was the law of the flag and the forum. The question being one of freight from New York to England, and the forum being England, the Privy Council decided that the exemptions might be included in the bill of lading, but that if Congress chose to pass an affirmative law declaring the exemptions to be bad—that is, if it declared by an Act what the American Courts had decided to be the common law on the subject, the English Courts of Justice should accept that legislation. Hence the Harter Act was passed, and it covers a great deal of the ground dealt with by the Bill now before us. I have examined the Act very carefully, and I cannot see the remotest necessity to make any amendment from it in the Bill as it stands, though, perhaps,. as you, Mr. Speaker, have suggested, it would be best to consider these matters of detail in Committee. In a work on the law of Merchant Shipping by McLachlan, it is stated—

> The ordinary forms of charter party and bills of lading in use in England always contain an engagement to deliver the goods in the same conditions in which they were received, an engagement which is immensely more extensive than that implied in a mere bailment, namely, to take proper care of the goods, and, consequently, involving liability only for negligence.

As a matter of fact, the liability of ship-owners is greater than that of ordinary bailees. It extends to every class of loss and damage, except those arising from acts of God and certain statutory exceptions recognised by the Railway Canal Act of 1854. Abbott, in his work on Merchant Shipping, says that at common law, a ship-owner, like a common carrier, insures against all events but the vice of the goods themselves, the act of God, or the King's enemies. By Statute, he is protected against loss or damages through fire, default of compulsory pilot, and undeclared values. These exceptions are not available where loss has arisen through the action of, or has been contributed to by, the ship-owners' servants, or anything to which the owners were directly or indirectly privy. So that, both by common law and by statute, a very extensive liability is imposed upon ship-owners, because the wisdom of the Legislature, as well as of the Judges, has declared that ship-owners shall be subjected to these liabilities. What really is the position? I find that the Chambers of Commerce have fallen into a misapprehension as to the scope of the Bill. I think that they have come to the conclusion that we are declaring some new law. As a matter of fact, we are declaring nothing. We should not affirm anything just now. Unfortunately there does not yet exist a law relating to shipping which is general throughout Australia. At the present time, the law varies according to the place at which the bill of lading is signed. There may be one law in Victoria, and another in South Australia. The Bill does not affirm any new law. All it says is that, whatever common law rights or statutory provisions are applicable to the bill of lading, they are not to be evaded by a practically monopolist ship-owner forcing the shipper to sign an exemption. There is a quasi monopoly among the ship-owners here, whether there be a ring or not. Although our shippers have nominally an absolute choice of carriage, there is a far greater freedom of choice in the trade between the United States and the United Kingdom, where there is a splendid service of trade vessels and a larger, though not quite so large as in the case of the United States, choice in the trade between Canada and the United Kingdom. But, owing to Australia being at a greater distance from the United Kingdom, the choice of vessels here is limited, and hence there is a quasi monopoly, so that very often shippers have no alternative but to sign bills of lading containing the exemptions to which we object. The Bill is merely a declaration that contracts which evade the liabilities imposed by the existing law are to be bad. What is the liability which is not to be evaded? I have already mentioned

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it. In the circular of the Chambers of Commerce it is assumed that new liabilities are imposed. For instance, liabilities in connexion with perishable goods.

Mr. KNOX.—To what circular does the honorable and learned member refer?

Mr. GLYNN.—I received a circular from the Adelaide Chamber of Commerce, setting out at some length reasons why the Bill should not be passed. Reference is made to liberty of contract, of which we have heard ever since we entered Parliament, though a variation is given to the expression by occasionally using the words freedom of contract. It is also stated that the Bill makes no distinction of the ship-owners' liabilities as regards perishable or other goods. But it does not affect that liability. It says only that the ship-owner shall not touch that liability himself. He is to leave himself open to the liability incurred at the place the contract is signed. We have no one law applicable to all Australia, but, according to the English law, ship-owners are not liable for the deterioration of perishable goods. They may be liable for negligence, but not for natural deterioration. Abbott, in his work, gives the following extract on this subject, from a judgment of Mr. Justice Willes:—

> Thus, for example, the carrier is not liable for any loss or damage from the ordinary decay or deterioration of oranges or other fruits in the course of the voyage, from their inherent infirmity or nature, or from the ordinary diminution or evaporation of liquors, or the ordinary leakage from the casks in which the liquors are put, in the course of the voyage, or from the spontaneous combustion of goods, or from their tendency to effervescence or acidity, or from their not being properly put up and packed by the owner or shipper, for the carrier's implied obligations do not extend to such cases.

Mr. HIGGINS.—Speaking of the liability at common law, apart from the statute?

Mr. GLYNN.—Yes.

Mr. HIGGINS.—Then there is a common law liability for perishable goods?

Mr. GLYNN.—Yes; but it does not extend to ordinary deterioration due to the nature of the goods. There is, I think, a fear expressed by the Chambers of Commerce that we are proposing to impose a new liability not recognised elsewhere.

Mr. HIGGINS.—Does that liability extend to damage due to bad management?

Mr. GLYNN.—I think it does. As carriers, ship-owners are liable to an even greater extent than bailees, who would be responsible for bad management. They are practically liable for everything except losses incurred through act of God, such as mischances of the ocean and certain statutory risks, such as those incurred under compulsory pilotage. To what extent these statutory exceptions apply in Australia I do not know. I think that we should pass the Bill as it stands, without amendment, except for that of the honorable member for Franklin, lest by meddling with the existing law we muddle it. I do not like the affirmative provision, that if the ship is seaworthy at the start, there is to be no liability in certain cases. That seems to be taken from the Harter Act, but here the onus of proof seems to be thrown on the shipper.

Mr. HIGGINS.—The Harter Act takes away liability for bad navigation.

Mr. GLYNN.—It does not take it all away.

Mr. WATSON.—Even if you allow the exemption, the onus of proof should be the other way.

Mr. GLYNN.—Yes. I do not think that the clause, as drafted, puts the burden on the owner; it rather puts it on the shipper. If the ship is seaworthy at the start, the liability of the ship-owner is confined to certain risks—it does not include all risks. There are risks from which there is an exemption by common law, and others from which there is an exemption by the statute law of England, such as acts of God, and deterioration due to the quality of the goods. The only other risk mentioned is dangers of the sea or other navigable waters, and certain errors of navigation. I hope I have said enough to suggest to honorable members the expediency of passing this Bill for the present, leaving the general law to be declared by a measure applying to all Australia, to be passed as soon as the Navigation Commission reports. It has been said that if this Bill be passed ship-owners will refuse to receive certain classes of goods. But they will have to receive them. The law in England is that carriers cannot refuse to receive goods, and I may fairly assume that the law is the same in Australia. As long as the freight is fair, and the goods are not of a specially dangerous class, they cannot shelve their obligations as common carriers; so that I do not think there need be any fear on that point. I intend, in all the circumstances, to vote for the second reading of the Bill.

Mr. FOWLER (Perth).—I heartily indorse all that has been said by the honorable member for Angas in dealing with this question. I think the Prime Minister is not quite seized of the position as it affects at

least some of the States, in proposing the amendment which stands in his name. Take the case of Western Australia: All its traffic with the eastern States, and in fact with the outside world, is by sea; and in this respect it is entirely at the mercy of the ship-owners. I am bound to say, without using any extravagant language, that the State has been bled very freely indeed by the ship-owners engaged in the traffic to and from that part of the Commonwealth. The protests in the name of freedom of contract against the restrictions that are sought to be imposed upon ship-owners by this measure are somewhat peculiar. I do not think I have ever known the phrase freedom of contract used with less justification than in the present instance. Let us take the case quoted by the honorable member for Angas: A firm ships a few cases of oranges to Western Australia, and has to pay the freight in advance. At the end of the voyage, empty cases are presented to the persons to whom they are directed; the whole of the oranges have disappeared. This case was brought under the consideration of the Supreme Court of the State, and it was proved during the hearing that the oranges had been appropriated by the servants of the owners of the vessel by which they were shipped. These persons had discovered that the oranges were of good quality, and had eaten them. The owners of the fruit, thinking they had a fairly good case, without considering the niceties of the law, instituted legal proceedings.

Mr. WILKS.—They had an empty case.

Mr. FOWLER.—They had several empty cases, and, as subsequent events proved, a very bad law case. In giving judgment, the Court pointed out that the owners of the vessel in question, under their bill of lading, had contracted themselves outside any claim that might be made upon them in respect to the goods. As the law stands at present, it was impossible for the shipper to substantiate in Court any claim with respect to damage or loss of goods in transit. That is a condition of things which this Parliament is certainly justified in remedying at the earliest opportunity. I take it that one of the principal reasons for the creation of the Federal Parliament was that it should be able to pass legislation of this character. The Bill does not come a day too soon, and I trust that honorable members will be seized of the necessity to protect unfortunate shippers of goods who have been subjected to the incidence of these unfair conditions. I hope that the Prime Minister will recognise the fairness of the case that has been presented, and will see that the public who use these vessels for the carriage of cargo have a right to be protected from the power that is wielded at present by ship-owners to impose practically their own condition on shippers. It seems to me that they have gone to such an extreme to protect themselves from reasonable claims that they ought in common decency to have refrained from making the protestations which have been urged so very fervently during the last few days. Their claim that they are entitled to have freedom of contract recognised in a matter of this sort is absurd. I feel sure that honorable members will have very little hesitation in making up their minds as to the proper course to adopt.

Mr. KELLY (Wentworth).—There can be only one opinion as to the evils existing under the present system; but I do not think that our view of these serious evils should lead us into hasty legislation. We have reached the last days of the session, when honorable members are far too brain-fagged to devote due care and consideration to a measure of such far-reaching effects.

Mr. WILSON.—We do not admit that.

Mr. KELLY.—I do not give place to any honorable member in my abhorrence of the present conditions under which ship-owners can so contract themselves out of their proper obligations as common carriers as to escape any liability for the actions of servants who may even pilfer the goods of a consignor or consignee. In common fairness, this state of affairs should not be allowed to continue. But what do we find the House at present proposing to do? We are proposing to enter upon the consideration of this measure, not when honorable members are fresh and able to give full consideration to their work, but in what will probably be the last week of the session.

Mr. BROWN.—Better late than never.

Mr. KELLY.—Certainly; but let us in the meanwhile obtain some information on the point. What are the facts which have led up to the introduction of this Bill?

Mr. WILSON.—Injustice.

Mr. KELLY.—Primarily, that is so; but that injustice was allowed to continue for years without action on the part of this Parliament. I am reminded that the conditions of which complaint is made are printed on the back of almost every

railway ticket issued in the Commonwealth, and yet we do not propose to take action in that respect. What has suddenly stirred this House into activity?

Mr. REID.—We do not propose to deal in this Bill with any traffic inside a State. The railway traffic, to which the honorable member has referred, is, of course, within a State.

Mr. KELLY. — If that be the Prime Minister's view, would he be prepared to deal with railway traffic which does extend beyond a State?

Mr. JOSEPH COOK.—He cannot do so.

Mr. KELLY.—Of course not.

Mr. REID.—I am afraid I cannot deal with it in a Bill relating to the sea-carriage of goods.

Mr. KELLY.—But the right honorable gentleman would not think of doing such a thing. The injustice of which complaint is made against ship-owners is practised by the sovereign States of Australia in their capacity as common carriers. I was going to point out, when interrupted, that what really was responsible for the introduction of this measure was a deputation of fruit-growers, who waited on the Prime Minister in October last, and put the case of pilfering with considerable weight. The Prime Minister and his colleagues, in common with honorable members generally, suddenly awoke to the fact that such a state of affairs had been in existence for several years. Then the Bill was introduced in the Senate on 23rd November last. It was passed through the second-reading stage on the same day on which the motion was moved, despite the fact that it is one of the most far-reaching measures it is possible for any House to consider.

Mr. WILSON.—That only serves to show how quickly the Senate can deal with its business.

Mr. KELLY.—Exactly. It was passed through the Committee stage in a very few minutes on the following day, and was read a third time one day later. In three days the Senate was able to pass this Bill, and it was then introduced in this Chamber by the Prime Minister. By this time the Bill was supposed to have had the united intelligence and care of the Cabinet bestowed upon it. But when it enters this Chamber, we find that the Prime Minister, who has already considered it, and framed it as he thought most desirable, is prepared to accept two vital amendments, because he thinks they will improve it. Surely this at once shows that proper consideration has not been given to the question.

Mr. REID.—Hear, hear.

Mr. KELLY.—In considering this measure, we have to remember that it is practically a transcript, with a few omissions, of the Harter Act of the United States of America.

Mr. BRUCE SMITH.—And the omissions are very important.

Mr. KELLY.—That is so. We have before us the experience of this Act for the last ten years in the United States of America. I have derived great help from reading an article in the *Harvard Law Review*, which I think is regarded as a fairly authoritative magazine. It deals with the operation of the Harter Act in the United States of America. And, although I do not propose to weary the House with much of it, I shall read one or two short extracts, showing the anomalies which exist in that statute—anomalies which we have transferred to this Bill, without seeking to benefit from the experience of the United States. In the first place, we find that the Prime Minister the other day consented to introduce into the Bill the celebrated section 3 of the Harter Act, safeguarding shipping companies in certain events. We were told that the clause as it stands in the Bill was a copy of the Harter Act; but it is not.

Mr. BRUCE SMITH.—I understand the Prime Minister intends to submit another clause in place of that which has been circulated.

Mr. REID.—Some of the provisions in the third section of the Harter Act are already in force here under our common law, and, therefore, it is not necessary to include them in the Bill.

Mr. KELLY.—That would to some extent meet the objection. Section 3 of the Harter Act protects the ship-owner to the extent that he is not held liable if losses arise from any inherent defect, quality or vice of the thing carried, or from insufficiency of package, or seizure under legal process, or from any act or omission of the shipper or owner of the goods, his agent or representative, or from saving or attempting to save life or property at sea. There is no such provision in the clause proposed by the Prime Minister.

Mr. BRUCE SMITH.—The Prime Minister stated that he would accept the third section of the Harter Act with some modifications suggested by the decisions of the American Courts.

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Mr. KELLY.—I am sorry that I am not aware of the decisions referred to. The third section of the Harter Act has given rise to more litigation than any other.

Mr. Reid.—We wish to take advantage of that experience, and have so drafted the clause as to avoid the subjects upon which litigation has taken place.

Mr. KELLY.—The Prime Minister did not seem to consider the desirability of inserting any such clause until the matter was brought under his attention in this Chamber. That shows that the desire to benefit from the experience gained in the United States is of very recent growth. Something more than a cursory examination of this measure will be required to enable the Commonwealth to take full advantage of the American experience. Another provision in the Harter Act is to the effect that—

> It shall be the duty of the owner or owners, master or agent, of any vessel . . . to issue to shippers of any lawful merchandise, a bill of lading . . . stating, amongst other things . . . the apparent order or condition of such merchandise or property delivered to and received by the owner, master, or agent of the vessel for transportation.

That seems to be a common-sense proposal, as it provides that some light at least shall be thrown upon the condition of the goods before the ship enters upon her voyage, during which deterioration may take place.

Mr. Reid.—That is the common law here now, and there is no need to provide for it in the Bill.

Mr. KELLY.—Under the present bill of lading the ship-owner receives the goods as "in good order and condition." They do not mind that at present, because they can contract themselves out of all liability; but if they are not to be allowed to do that, they will have to exercise much greater care in examining the goods before they are placed on board.

Mr. Reid.—Who objects to the exercise of greater care?

Mr. KELLY.—The Prime Minister apparently would be prepared to prevent the shipment of any goods unless they were in good order and condition.

Mr. Reid.—We do not interfere with the obligation at all. We simply say that the ship-owner shall not rid himself of certain obligations which would attach to him but for his power to contract himself out of them.

Mr. KELLY.—If that be the position which the Government take up with regard to the Bill, surely it would be better to postpone its consideration and deal with the whole question in one comprehensive measure, such as the Navigation Bill. The Navigation Commission are already sitting, and as the Bill, according to an amendment which the Prime Minister is ready to accept, will not come into operation until June next, this House will probably again be in session before it will have any effect.

Mr. Reid.—The Bill will come into operation on the 1st of January next, but it will not affect contracts made before the passing of the Act until 30th of June. It will, however, prevent any new contracts being made unless they comply with the provisions of the measure.

Mr. KELLY.—But the Bill is most designed to meet the conditions of the produce export trade, particularly fruit. Most of our fruit will be exported between now and the 30th of June, under contracts which have already been made, and which are to be exempted from the operation of the Bill. Therefore I think that we might safely allow the Bill to be referred to the Navigation Commission.

Mr. Fowler.—Contracts have not been made for all the produce; a large amount of produce will be shipped apart from special contracts altogether.

Mr. KELLY.—I am speaking principally of fruit, the contracts for the shipment of which have to be entered into some time ahead.

Mr. Skene.—Does the honorable member say that all the contracts for the shipment of fruit have already been entered into?

Mr. KELLY.—The bulk of the contracts have already been made. I wish the Prime Minister to consider whether, in view of the fact that the Bill will not operate in regard to that portion of our export trade which it is specially designed to protect, it would not be wiser to allow it to stand over for the present, and to in the meantime afford the House such information, through the Navigation Commission, or otherwise, as will satisfy us that we shall act prudently in amending the law. At present we are making a plunge in the dark. If we go too far, the Bill will have the effect of forcing the shipping companies to increase their freights. If we merely make ship-owners responsible for the actions of their own servants, freights will probably not be affected, since there will be a great falling off in the pilfering on the voyages. It will be a proper thing for us to put a stop to pilfering as much as possible; but we may go very

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much further if we pass the Bill in the shape suggested. We shall find that the American Act has not achieved the objects which were held in view when it was passed. The *Harvard Law Review* points out that—

Strangely enough, it exonerates the carrier, in many cases, from liability for neglect of servants, and yet leaves him, for the most part, under his former strict responsibility for accidental loss. Actions for cargo damaged now sometimes present the curious spectacle of a defendant trying to prove that the loss happened by his fault, and the plaintiff insisting that it was wholly an accident. In such a contest, the defendant often has an advantage.

Mr. HIGGINS.—That is provided for in section 3 of the Harter Act, which is not to be followed in this case.

Mr KELLY.—But the Prime Minister has agreed to adopt it.

Mr. HIGGINS.—Not in that respect.

Mr. KELLY. — The clause which the Prime Minister proposes to adopt embodies the main provisions of section 3 of the Harter Act.

Mr. SPEAKER.—I would remind the honorable member that we are discussing the motion for the second reading of a Bill which is in print. Any suggested amendment or addition to the Bill should be discussed, not upon the motion for the second reading, but in Committee. I would therefore ask the honorable member to postpone the discussion of any suggested new clause until the Bill reaches the Committee stage.

Mr. KELLY.—I merely wish to show that American experience demonstrates that we are being asked to adopt certain provisions which should not be adopted without sufficient consideration. There are one or two other matters to which I desire to direct attention. In the first place, I would point out that the Bill does not make any provision with regard to imports into Australia. Surely the whole question of imports and exports should be dealt with in one Bill. Honorable members may urge that it is almost impossible for us to govern contracts made in England, but I would point out that provision is made in the Harter Act for such cases, and that it is found to work as satisfactorily as the rest of that measure. Importers will derive no benefits under the Bill, whereas exporters will be placed in a position of considerable advantage: because, forsooth, a fruit deputation asked that legislation of this kind should be passed. I do not propose to take up any further time. I merely suggest that the Bill should be referred to the Navigation Commission, so that we may have some evidence placed before us that the whole question has been seriously and minutely considered. Otherwise, I am afraid that legislation on the subject will prove to be something in the nature of a boomerang.

Mr. WILKS (Dalley).—The words which have last fallen from the honorable member for Wentworth compel me to say a few words. The honorable member is afraid that the Bill may prove to be something in the nature of a boomerang, and I am sorry to say that I share his fears. We are supposed to be legislating in the interests of our producers and exporters, but we must pay some regard to the interests of those who are engaged in shipping pursuits. I confess that I do not know very much about this subject. I fancy that, except, perhaps in the case of a few honorable and learned members, the want of acquaintance with the subject displayed by other honorable members, is equal to my own. To the ordinary person who reads a bill of lading it is not clear that the ship-owner is responsible for any loss or damage, but honorable and learned members tell us that there are many means of holding the ship-owner liable. Some honorable members urge that our producers should receive considerate treatment at our hands, and I do not object to extend that consideration so long as we do not inflict injury upon other sections of the community. Until I am satisfied upon that point, I cannot give my support to the Bill. I shall require to be shown that legislation of this kind is in satisfactory operation in other parts of the world. If any honorable member can show me that, under the Navigation Act of Great Britain, similar conditions are imposed upon shipping firms, I shall be prepared to freely support the Bill. The Statute to which I have referred is generally regarded as constituting a model for shipping legislation. Under the circumstances, I think that the Prime Minister should refer this question to the Navigation Commission, which is now inquiring into cognate subjects. The precautions which should be undertaken by shipping firms might well be considered by that body, the members of which possess a technical knowledge of this matter. As was pointed out by the honorable member for Wentworth, the Senate dealt with this Bill very speedily. That Chamber practically dismissed the case on behalf of the shipowners. Why? Because the producing

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interests are overwhelmingly represented in the other Chamber, whereas those who are connected with the shipping interests constitute relatively a small section of the community. In my own electorate there are thousands of persons who are directly and indirectly dependent upon the shipping industry.

Mr. Joseph Cook.—Does the honorable member suggest that they will be injuriously affected by this Bill?

Mr. WILKS.—They will be affected directly and indirectly. The honorable member for Parramatta is very strong in his advocacy of the interests of the fruitgrowers. He is naturally anxious that the produce of his electorate shall be forwarded in a marketable condition to the old world, and that shipping firms shall take the necessary precautions to insure that result being achieved. My concern is as to whether the conditions imposed by this Bill would not prove harassing to ship-owners. I know that most honorable members are prone to take up the position, "I am not merely the representative of my constituency, but of Australia." Such a statement sounds well, but everybody must recognise that honorable members usually keep one eye upon their electorates and the other eye upon Australia. I candidly confess that I am keeping one eye upon my own constituency and the other upon this measure. When I hear the legal members of this House differing upon the Bill, is it to be wondered at that I do not give it a whole-souled support? It deals with a technical question, of which I have practically no knowledge, and I do not think that the members of the legal profession who have spoken upon it know very much more about it. I do not desire that shipping firms shall be accorded more facilities than are extended to ordinary carriers. I merely wish to see a fair thing done as between the exporter and the ship-owner. Some honorable members seem to have only one concern, namely, a desire to improve the conditions for the exporter, whilst they would allow the ship-owners to look after themselves. I do not hold a brief for the ship-owners, but I object to enacting legislation which will unduly and unnecessarily harass them. If I can be assured that similar precautions are adopted in other parts of the world, and that shipping firms are not thereby subjected to any inconvenience, I shall be quite content to support the Bill. But the fact that the Prime Minister proposes to amend it in Committee indicates that he is not strongly enamoured of it. I repeat that the Senate passed the measure very quickly.

Mr. Fisher.—I thought that the Senate represented every interest in the community.

Mr. WILKS.—We all represent every interest, but we are chiefly concerned with the one which is nearest to our own constituencies. No doubt the honorable member would like to place himself upon a pedestal and to make it appear that he represents every section of the community. If I were to remind him of the interest which he exhibits on behalf of the sugar-growers of Queensland he would naturally ask, "What am I here for?" Similarly, I may inquire, "What am I here for?" The proportion of electors who are interested in shipping matters is very small. It is quite possible that the other branch of the Legislature may have overlooked that fact, as in my opinion it has. I realize that it is very difficult to raise any enthusiasm on behalf of a small section of the community, and I admit that, to a large extent, I am groping in the dark upon this question; but having listened to the remarks of other honorable members who have addressed the House upon it, I am of opinion that they are equally in the dark.

Sir WILLIAM LYNE (Hume).—The honorable member for Dalley has made a special plea on behalf of the ship-owners of Australia, but I do not think that he would have delivered the speech to which we have just listened if he had ever been a shipper. At the present time a condition of things exists as between the producers and the ship-owners which calls for immediate action. If the honorable member for Dalley were aware of the trouble and loss which has for a long time been experienced by the shippers as the result of negligence on the part of the ship-owners, he would strongly support the passing of this Bill, and substantially in the form in which it now appears. It is all very well for him to talk about referring the question to the Navigation Bill Commission. We know that the Navigation Bill is a very long and important one, and heaven only knows when it will be passed into law. It is essential that some action should be at once taken on behalf of our producers. This Bill is intended to apply to all goods of a perishable nature. Let me take, for example, the great export meat trade from Australia to Great Britain, Great dissatisfaction is expressed by the

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shippers of meat as well as of fruit, because they cannot obtain during the whole term of the voyage any record of the temperature in the refrigerating chambers. One of the great objections urged by the Peninsular and Oriental, and the Orient Steamship Companies against the terms of the postal contract, was that it contained a stipulation that they should install indicators, so that shippers might be able to ascertain what the temperature in the refrigerating chamber was at any particular time. That fact shows how important it is that we should legislate to compel ship-owners to deal fairly with shippers. In my judgment, the producers were rather slighted by the honorable member for Dalley, notwithstanding the fact that they constitute the bulwark of the community. I claim that we should not unduly conserve the interests of the ship-owners. I am further of opinion that in each State of the Union legislation should be enacted to compel the Railway Commissioners to deal more carefully with the produce which is carried over their lines.

Mr. BRUCE SMITH. — The honorable member does not forget the conditions which are printed upon the back of their tickets?

Sir WILLIAM LYNE.—No. The conditions which are printed on the back of those tickets, as well as those to which reference has been made by the honorable member for Parramatta and the honorable and learned member for Angas, show how thoroughly irresponsible are the carriers under existing bills of lading. What is the unfortunate shipper to do? He places his produce on board the vessels of these companies. Who should look after it? Obviously, the representatives of the shipping companies. It should be the special duty of their officers to supervise the carriage of produce. If any trouble is experienced in this connexion it is a very simple matter for the ship-owner to insure the goods.

An HONORABLE MEMBER.—And add the cost of the insurance to their freight charges?

Sir WILLIAM LYNE. — I think that freights are just about as high as the companies can make them. It is quite time that they were reduced, not only from Australia, but from Great Britain. According to evidence which was recently given before the Butter Commission, the freight charged upon butter from Australia to Great Britain is very nearly twice as much as it should be. At the present time an attempt is being made to obtain lower freights.

Mr. FOWLER. — The local steam-ship companies are worse offenders than are the oversea companies.

Sir WILLIAM LYNE.—I do not wish to say anything unduly harsh concerning ship-owners. There is no doubt that they are very alert business men. Those who are wealthy have amassed their riches by the keenness of their intellects, and if they get an opportunity of charging high freights, and of relieving themselves of obligations, they will eagerly embrace it. It is a ring amongst themselves, which it is very hard to break, that has allowed this state of things to continue for such a length of time.

Mr. WILKS.—Did the honorable member ever hear of producers working a ring?

Sir WILLIAM LYNE.—I have never heard of producers working a ring in the same way. Their distance from each other prevents them from combining as the shipping companies have done. I shall not, however, deal with the matter further, because every one knows that these combinations exist. I commend the Prime Minister for trying to get the Bill passed before the session comes to a close.

Mr. BRUCE SMITH.—There is something wrong here.

Sir WILLIAM LYNE.—Whenever a measure of this kind is introduced, whether by the Prime Minister or any one else, I will fight in its support as hard as I can. The present state of affairs has been a crying evil to the shippers of Australia for a very long time past. I should like to know whether the Bill applies only to agreements entered into for the export of goods from Australia to other parts of the world, or whether it applies to all contracts between port and port in Australia as well.

Mr. REID.—To all contracts from State to State.

Sir WILLIAM LYNE.—I think that it should also apply to all contracts from port to port.

Mr. BRUCE SMITH.—We have no power under the Constitution to make such a provision.

Sir WILLIAM LYNE.—In my opinion, it should apply to contracts such as those for the carriage of perishable goods from the Clarence River to Sydney.

Mr. FISHER.—Or from Brisbane to Thursday Island.

Sir WILLIAM LYNE.—Yes.

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Mr. Fisher.—But we cannot make it so apply.

Sir WILLIAM LYNE.—If the Constitution will not allow it, there is no use talking about it. But I am glad that the measure applies to contracts between State and State. I shall not prolong the discussion further. I rose to give the Bill my support, and I hope that it will be carried through Committee much as it stands.

Mr. HUTCHISON (Hindmarsh).—Although I represent the leading shipping port of South Australia, I am on the side of the producers in this instance.

Mr. Bruce Smith.—Why be on a side at all?

Mr. HUTCHISON.—Because, in my opinion, the producers are at the present time unfairly treated by the ship-owners, and I hope that I shall always be found on the side of those who are suffering an injustice. The honorable member for Dalley says that we have not looked at this question from all stand-points.

Mr. Joseph Cook.—He says that he does not know anvthing about it.

Mr. HUTCHISON.—His speech showed that he does not know much about it. He has stated that if the freights were increased the shipping business would fall off; but it is only reasonable to suppose that if shippers continue to be put to the enormous losses which they now suffer, they will cease to export, and, therefore, ship-owners will lose business from that cause. I do not wish an injustice to be done to the shipping companies, nor do I think that the Bill will have that effect. I am of opinion that a reasonable time should elapse before it is brought into operation. I shall, therefore, support the amendment of the honorable member for Franklin. I do not think any company should be allowed to contract themselves out of their reasonable liabilities. The liability imposed upon the ship-owners by the Bill is a reasonable one, because it will be the easiest thing in the world for them to cover the risk. The trouble with the shipping companies is that they will not be able to increase their freights very much, because they are now so high. The Bill applies not only to perishable goods, but to all kinds of merchandise, and surely carriers by sea should have the same responsibility in regard to the safe conveyance of the goods intrusted to them as carriers by land have. A great many of the producers would have no objection to paying increased freights if they could be sure that their goods would arrive in first-class condition. I hope that the Prime Minister will not persist in the amendment of which he has given notice; because, if it were carried, we might as well leave the law as it is. It would be monstrous to allow the ship-owner to evade his liability for the act of his servants. That is a liability placed on him by the common law, and by the Employers Liability Act. It will be nearly always through the acts of his servants that damage will result. For instance, neglect of refrigerating apparatus would be the act of a servant; and while thefts of fruit are often committed by passengers, responsibility for them occasionally attaches to the crew, who are the servants of the ship-owner. Shippers would not allow insurance companies to say to them, "If the ship leaves in a seaworthy condition, and is destroyed, or her cargo suffers damage by reason of acts of God, we will make up the loss to you; but if the damage is due to the neglect of the officers, we will not." Similarly, the ship-owners should be liable for the neglect of their officers. If the amendment of the Prime Minister is carried, I shall be forced to vote against the Bill, because of the unfair position in which shippers will be placed. They require to know that when they ship their fruit or merchandise, it will be carried safely to its destination. If the ship-owners do not now receive enough by way of freight to cover this risk—though, in my opinion, they do—they will take care to increase their freights, and I do not think that this will affect the consumers. I hope that the Bill will be carried very much as it stands.

Mr. KING O'MALLEY (Darwin).—Representing, as I do represent, the two most important shipping ports in Tasmania, Burnie and Strahan, I am most anxious that this measure shall become law. I am sorry, however, that the Prime Minister is intending to move an amendment which will spoil it. There is no question that ship-owners have been able, by various legal processes, and documents drawn by able and brilliant lawyers, to gerrymander the shippers out of their just rights. They have played them with loaded dice. It is said that the Harter Act has not proved quite a success; but no Act in the world has done that.

Mr. Kelly.—It has been more prolific of litigation in the United States than has any other Act.

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Mr. KING O'MALLEY.—Because of the number of lawyers wanting good fat briefs from the ship-owners. I trust that the Prime Minister will see that this Bill is carried so as to render litigation under it as little as possible. Before the Harter Act was passed, a man had as good a chance of getting a verdict against the shipping company which had destroyed his goods, or had not delivered them on time, as he would have had of swimming up Niagara Falls in a hickory-nut shell. It is the same thing in Australia now. The steam-ship owners will treat you very nicely if you go to see them; but if you make any complaints, they will show you the bill of lading, and you know you are "out of it" at the very start. What chance has a producer who ships £200 worth of goods to win an action against a big shipping firm, which can retain the first lawyers in the land?

Mr. FOWLER.—The shippers are told when they go into Court that they have no case, because of the conditions in the bills of lading which they have signed. That is freedom of contract!

Mr. KING O'MALLEY.—Yes; but all the freedom is on the one side. I want the Harter Act improved, so that we shall benefit by the mistakes of the Americans. We should investigate every Act on the face of the earth, pick out its best portions, and then improve on them, according to our intelligence.

Mr. BRUCE SMITH.—How long will that take?

Mr. KING O'MALLEY.—It took the Americans a hundred years to think out the Harter Act. I shall vote for the Bill, and I hope that it will be improved in Committee as much as possible. I am glad that the Prime Minister has had the pluck to tackle this question, even at this late period of the session. It is very important to the small shipper to be able to say to the shipping company which has destroyed his goods, "I want damages for the injury done to me." The present bills of lading put him out of court altogether.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clauses 1 and 2 agreed to.

Clause 3 (Application of Act).

Mr. BRUCE SMITH (Parkes).—When the Bill was being discussed on Thursday last, on the motion for the second reading, the honorable member for Franklin urged that a new clause should be inserted providing that it should not apply to any bill of lading or agreement entered into before it came into operation. I then suggested that instead of inserting a new clause, dealing with this question, the saving of existing contracts should be dealt with in clause 3.

Mr. REID (East Sydney—Minister of External Affairs).—I have adopted the suggestion of my honorable and learned friend. I move—

That the following new sub-clause be inserted:—"This Act shall not apply to any bill of lading or document made before the thirtieth day of June, one thousand nine hundred and five, in pursuance of a contract or agreement entered into before the passing of this Act."

We have already provided that after the 30th of June no existing agreement shall continue to have any force.

Mr. GLYNN.—Why not say that the Bill shall not apply to any bill of lading or document made before 17th November—the date of the introduction of the Bill in the Senate?

Mr. REID.—We have considered that point, and think it better not to press it. It could be easily evaded in many ways.

Mr. KNOX (Kooyong).—I have been asked to point out that many shippers and ship-owners have entered into contracts relating not only to the present, but to the ensuing fruit season, and I should like to have the assurance of the Prime Minister that the Bill as proposed to be amended will not interfere with such contracts. I know of one contract which relates not only to the present, but to the next fruit season of 1905-6.

Mr. REID.—We cannot go further than the 30th June, 1905.

Mr. KNOX.—Then the remainder of that contract would practically be annulled.

Mr. REID.—Yes; but there will be plenty of time between the ensuing season and that of 1905-6 for the parties to make fresh arrangements, in view of the law.

Mr. BRUCE SMITH.—But the ship-owners might ask a higher freight, which would throw the shippers out in their calculations.

Mr. KNOX.—I do not wish to press the matter; but I think that if the honorable member for Franklin had been present he would have given expression to the feeling that exists in Tasmania that these extended contracts should have some consideration.

Mr. REID.—I had an interview with the honorable member, and the amendment I have moved embodies his suggestion.

Amendment agreed to.

Clause, as amended, agreed to.

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Clause 4—

Where any bill of lading or document contains any clause covenant or agreement whereby—

. . . .

(*b*) the obligations of the owner or charterer of any ship to exercise due diligence, and to make and keep the ship's hold, refrigerating and cool chambers, and all other parts of the ship in which goods are carried, fit and safe for their reception, carriage, and preservation, are in any wise lessened, weakened, or avoided; or . . . .

Mr. REID.—There has been in some quarters a slight misapprehension as to the scope of the Bill. It does not alter the law at all with reference to rights as between ship-owners and shippers. The object of the Bill is to prevent contracts being made, which have the effect of undoing the law relating to such transactions. That distinction is not properly understood. We are not legislating to put shippers in some legal position which they did not occupy before, except in the respect I have mentioned. The law relating to contracts between shippers and ship-owners will not be altered by this clause. We merely say to the ship-owner, "We do not allow you to contract yourself out of your legal obligations in such a transaction." That is the alteration we make. In view of this statement, I should like to alter the wording of paragraph *b*, again prefacing my proposed amendment by the observation that it will not alter the law in any sense.

Mr. BRUCE SMITH.—But it will prevent the ship-owner and the shipper from entering into a certain form of contract.

Mr. REID.—They are setting the incidence of the contract law aside—an incidence which has been sanctioned by immemorial usage as a wise and proper definition of their respective obligations. I move—

That after the word "diligence," line 5, the words "to properly man, equip, and supply the ship, to make and keep the ship seaworthy" be inserted.

Mr. BRUCE SMITH.—Does not section 3 of the Harter Act contain different words?

Mr. REID.—I shall deal with that section quite apart from the clause now under consideration. If there be no obligation to do what the amendment provides for, this provision will not make one. It will not create any obligations that are not already the law of the land. I wish honorable members to clearly understand that no number of amendments in this clause will alter the law by a tittle. If it were contended, for instance, that there was no obligation at law to properly man, equip, and supply a ship, or keep a ship seaworthy, and there were no such obligation, this provision would not affect the position of the owner in that respect. These words are substantially in clause 2 of the Harter Act.

Mr. GLYNN.—In clauses 2 and 3.

Mr. REID. — The honorable member for Kooyong has rendered me great service by supplying me with a number of valuable documents bearing on the Harter Act, and other matters relating to this Bill. Among these is a publication, which presents that Act in a very handy form. I have only to repeat that the amendment will not alter the obligations at law. It simply proposes to insert words representing the actual law, and by other words in the clause ship-owners will be prevented from writing them out.

Mr. KELLY (Wentworth).—I wish to ask the Prime Minister if he would accept a verbal amendment in paragraph *a*, under which an owner is debarred from trying to contract himself out of failure in the proper delivery of goods? The meaning of the provision is clear, but it might give rise to trouble in its present form. I should therefore like to know if the Prime Minister would consent to an amendment, inserting after the word "delivery" in paragraph *a* the words "in the order in which received," or something to that effect.

Mr. REID.—I could not accept that.

Mr. KELLY.—These words are in the Harter Act, but there is also a special subsection which safeguards owners in regard to the shipment of perishable products in which there is any inherent vice.

Mr. REID.—Inherent defects will be provided for later on. At present owners are protected at common law in regard to such matters.

Mr. HIGGINS (Northern Melbourne). —I think that the insertion of these words will make the clause more intelligible. The great object in framing a Bill of this sort is to let business men know what their duties and privileges are. I may say that with regard to paragraph *b* I expressed, on the motion for the second reading of the Bill, much doubt as to whether the words which follow the proposed amendment would be effective. I have to deal with those words in connexion with this amendment, because the one part fits in with the other. As the Prime Minister

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has said, there are certain obligations at common law out of which the parties will not be permitted by this Bill to contract themselves. There are, for example, such obligations as that of properly manning and equipping a ship, and one can very well understand the application of this provision in such circumstances. But in this Bill we provide that ship-owners must not contract themselves out of the obligation to make and keep—

> The ship's hold, refrigerating and cool chambers and all other parts of the ship in which goods are carried, fit and safe for their reception, carriage, and preservation.

The difficulty is that there is no obligation on ship-owners at common law to provide cool storage, for there was no such device in the olden days. Therefore, so far as regards cool storage, we are simply providing that ship-owners must not contract themselves out of an obligation which never existed, and never could exist. This point relates to a question of drafting. I confess that I have been ransacking my brains to devise an alteration that would make this provision more effective. By the kind permission of the Prime Minister I have also had access to the draftsman of this measure, and he assures me that he cannot conceive of any means to render it more effective. In these circumstances, I do not feel justified in proposing an amendment. In a matter of this kind, we are like persons dancing amongst swords—at every move we may hurt ourselves, or some one else. The truth is we are dealing with great private interests, and naturally very keen attention is being displayed.

Mr. Bruce Smith.—I think that we shall find that we are dealing with public interests through private interests.

Mr. HIGGINS.—Yes, we are touching public interests through private interests, but my object is to, as far as I can, secure public interests against private interests. The honorable member for Perth has directed attention to the importance of making the provisions more stringent with regard to produce carried from port to port within the Commonwealth.

Mr. Fowler.—Yes, and with regard to other merchandise.

Mr. HIGGINS.—Exactly, and particularly with regard to perishable produce. I should like to help him in that regard, but I confess that as the matter stands I should have to interfere with provisions which on the whole are well drafted, and should therefore incur some risk of inflicting injury. I understand that the provision regarding cool chambers was inserted in the Senate, and I do not think we need quarrel over it, although I do not believe it will prove as effective as is desired. The honorable and learned member for Angas has directed my attention to a passage in Abbott's *Law on Merchant Ships and Seamen*, in which the common law obligations of carriers are referred to. At page 597 there is a passage which I think makes it perfectly clear that a common carrier is not at common law liable for the deterioration due to its nature of fruit or other perishable produce. The passage reads as follows:—

> Thus, for example, the carrier is not liable for any loss or damage from the ordinary decay or deterioration of oranges or other fruits in the course of the voyage, from their inherent infirmity or nature, or from the ordinary diminution or evaporation of liquors, or the ordinary leakage from the casks in which the liquors are put, in the course of the voyage, or from the spontaneous combustion of goods, or from their tendency to effervescence, or acidity, or from their not being properly put up and packed by the owner or shipper, for the carrier's implied obligations do not extend to such cases.

Therefore, I have some doubt as to the effectiveness of the latter part of the clause. I hope that the Committee will accept the amendment proposed by the Prime Minister, because it will certainly make express and clear that which would otherwise be left to implication.

Mr. REID.—I should like to point out that, although it is a fact that the special trade known as carriage in refrigerating chambers is quite new, the Courts in dealing with the new conditions are able to apply sound principles of law. The case of *Rowson* versus *the Atlantic Transport Company*, decided on appeal to the King's Bench division in 1903, shows the ingenuity with which lawyers, and even the Courts, can deal with the expressions contained in an Act of Parliament. The expression used in the Harter Act is "faults or errors in the navigation or in the management of the ship." These latter words are very properly left out of the New Zealand Act, because it has been decided that negligence in the refrigerating chamber, such as failure to keep the temperature up to a certain level, is negligence in the "management of the ship." It was not intended that any such meaning should be attached to the words, but that the management of the ship should relate purely to matters of navigation. In the case referred to it was held that the ship-owner was not

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liable for any negligence in connexion with the refrigerating chambers. A large consignment of butter was spoiled through some negligence in connexion with the temperature of the refrigerating chamber. An action was entered, and the Court held that the management of the ship included the management of the refrigerating chambers, and that therefore no liability rested upon the ship-owner. I have, therefore, inserted words in the clause which will preclude any such interpretation from being adopted. I should like to point out also that Mr. Justice Kennedy applies the old common law to the modern conditions relating to the carriage of perishable produce in refrigerating chambers in this way. Referring to the Harter Act, he says—

Now a vessel, which has to carry cargo which can only be safely carried if its refrigerating machinery is in proper order, is one which at the present day, according to a series of decisions, both in this country and in America, cannot properly be regarded as seaworthy unless it has that machinery in proper order.

Mr. HIGGINS.—But there was a contract in that case to keep cool chambers.

Mr. REID.—Under the proposed new clause, a contract would be implied.

Mr. HIGGINS.—If at the outset there is an obligation to keep cool chambers, responsibility for neglect must attach to the ship-owner.

Mr. REID.—Exactly so; but the expression "seaworthy" is read into the new contract with regard to the refrigerating chamber. If without any special contract the ship-owner takes perishable cargo into a refrigerating chamber at a special scale of freight, there is an implied contract on his part to keep the chamber at a proper temperature. That is the very essence of the contract so far as the avoidance of negligence is concerned. Our object is to prevent a ship-owner from contracting himself out of any liability he may have incurred by taking perishables into his refrigerating chambers under an implied contract.

Mr. BRUCE SMITH (Parkes).—If the Prime Minister's statement be correct, and I have no doubt it is, that the only purpose of this clause is to prevent a ship-owner from absolving himself from his common law liabilities, I do not see the object of inserting the words referred to. If "seaworthiness" connotes or implies a reasonably fit condition of that part of the ship, which enables the ship owner to fulfil his contract for carrying frozen goods, there is no need to insert the words "properly manned, equipped, and supplied," because it is implied in the words "seaworthy condition in all respects."

Mr. REID.—It is necessary to insert the words in order to prevent a ship-owner from contracting himself out of his liability.

Mr. BRUCE SMITH.—But it is provided in paragraph *b* that the ship's hold, refrigerating and cool chambers, and all other parts of the ship in which goods are carried, shall be fit and safe for their reception, carriage, and preservation. If the common law obligation connoted by the word "seaworthiness," governs refrigerating chambers and all apparatus necessary for the carriage and preservation of the goods, the obligation upon the ship-owner cannot be increased by the insertion of the words referred to.

Mr. REID.—But they apply to a number of other things, apart from refrigerating chambers.

Mr. BRUCE SMITH.—These obligations are imposed under the common law.

Mr. REID.—But it is provided that the ship-owner shall "keep" the ship's hold, &c., fit and safe.

Mr. BRUCE SMITH.—If the word "keep" be inserted, the right honorable gentleman will embark upon a whole sea of arguments in regard to the obligations which rest upon the ship-owner, after the ship has once weighed her anchor and proceeded to sea.

Mr. REID.—We are not altering the law as to obligation, but are preventing ship-owners from contracting themselves out of their liability.

Mr. BRUCE SMITH.—That is, out of their common law obligations.

Mr. REID.—Yes, that is all.

Amendment agreed to.

Mr. CROUCH (Corio).—I understand that the purpose of this clause is to insure that the ship-owner shall not contract himself out of his liabilities under the common law. Under clause 4, one of the obligations imposed upon the ship-owner is that he shall properly deliver the goods, and I should like the Committee to consider the necessity of making some provision to define what constitutes delivery, because otherwise the ship-owner may be placed under all sorts of obligations.

Mr. BRUCE SMITH.—I think that delivery in all cases means delivery from the ship's slings. From that point, the ship-owner is absolved from liability.

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Mr. CROUCH.—Abbott's *Law on Merchant Ships and Seamen* points out that—

The manner of delivering the goods, and, consequently, the period at which the responsibility of the master and owners will cease depend upon the custom of particular places and the usage of particular trades. Thus a hoyman who brings goods from an outport into the port of London is not discharged by landing them at the usual wharf, but is bound to take care and send them out by hand to the place of consignment.

Mr. BRUCE SMITH.—What is a hoyman?

Mr. CROUCH.—I understand that a hoyman is a man who takes goods from the ship's side and delivers them on the wharf.

Mr. BRUCE SMITH.—Then he would occupy a position different from that of the owner of a ship.

Mr. CROUCH.—If the honorable and learned member will wait, he will see that the ship-owner is included. Abbott says further—

And if the consignee require to have the goods delivered to himself, and direct the master not to land them on a wharf at London, the master must obey the request; for the wharfinger has no legal right to insist upon the goods being landed at his wharf, although the vessel be moored against it. But in the case of ships coming from a foreign country, delivery at a wharf in London discharges the master.

If the provision applies only to a wharf in London, no hardship will be inflicted. But I want to show what the cancellation of the right of the ship-owner to contract himself out of his common law liabilities would lead to. Abbott goes on to say—

If the consignee send a lighter to fetch the goods, it seems that the master of the ship is obliged, by the custom of the river Thames, to watch them in the lighter until the lighter is fully laden.

Mr. REID.—This Bill will not affect the existing law; it will simply prevent a ship-owner from contracting himself out of his common law liability.

Mr. CROUCH.—But power to make a contract is a common law right. Abbott continues—

But if he be placed in a like situation abroad, he may find himself, as masters used to be here, in a position of great difficulty. He must take care of the cargo, lest his owners should be sued for not delivering it according to the bill of lading; he must keep possession of it, if he wishes to retain his lien for freight; but he must not incur any unreasonable expense in so doing. If there is any law or custom at the port of discharge applicable to the case, the master would, of course, follow it, but apart from such law or custom, the rights of the ship-owners to redress from the owners of the goods, or from the charterers of the ship if they could be sued within the jurisdiction, would, unless provided for by the contract of the parties, probably depend on the common law.

Under the common law, unless ship-owners have a right to discharge goods consigned to them at the port of their destination—that is, to give "proper delivery," as prescribed in paragraph *c*, of clause 4—they may be subjected to great inconvenience. If they cannot enter into a contract as to what shall constitute "proper delivery," they may have to carry cargo round with them until some person comes forward to claim it.

Mr. FOWLER.—Does the honorable and learned member wish to give ship-owners the power to decide what constitutes "proper delivery"?

Mr. CROUCH.—No, but I wish the parties concerned to have power to enter into an agreement as to what "proper delivery" shall mean. In the absence of some such provision, the ship-owners will incur liabilities which it is most unfair to impose upon them.

Mr. FOWLER.—Suppose that the shipper has no power to alter the contract—that the ship-owner has an absolute monopoly of the trade?

Mr. CROUCH.—That is a risk which the shipper must always incur. The common law imposes upon the ship-owner an obligation which I think it would be very wise to allow him to withdraw from himself by contract. When the measure was first submitted, I was disposed to support it, but having listened to the arguments which have been advanced, it appears to me that it would be dangerous to place it upon the statute-book. In my judgment, it affords an instance of the saying that "hard cases make bad laws." It seems to me that in endeavouring to secure a small concession for a special class, we may injure the whole community. I should be glad to see the measure defeated. In my opinion, it constitutes a danger, not only to the ship-owners and the producers, but to the general community, and I should certainly like an opportunity of bestowing further consideration upon it.

Mr. HUME COOK.—Wherein does the danger lie?

Mr. CROUCH.—For years past it has been customary for the producers and the ship-owners to enter into certain contracts. The very suggestion that a man should not be at liberty to make a contract with another individual, should be sufficient in itself to make us pause.

Mr. FOWLER.—That has been the position for years. The shippers of Western

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Australia have had no option but to accept the contracts of the ship-owners.

Mr. CROUCH.—I can quite imagine that if the ship-owners formed themselves into a ring, the position might be one of hardship to the exporters.

Mr. Hume Cook.—Does the honorable member think that the ship-owners should be allowed to contract themselves out of their liabilities under the common law?

Mr. CROUCH.—The ship-owners are just as anxious to secure cargo and to do business as is any other class of the community. If the shippers combined, and refused to send their produce unless they secured fair conditions, those conditions would speedily be forthcoming. I do not entirely condemn the Bill, but I feel that further consideration is necessary, and that it contains numerous elements of danger, and I am not satisfied that it is wise to pass it at this stage of the session. If any attempt be made to strike out this provision I shall support it.

Mr. BRUCE SMITH (Parkes).—Upon the second-reading discussion of this measure I predicted that it would have a sort of boomerang effect, and that it would recoil upon the very class which it was intended to benefit. I am still of that opinion. I have listened carefully to the honorable and learned member for Corio, with a view to ascertaining whether he had detected in the paragraph *c* of this clause any danger further than that which is common to the whole Bill. I cannot see that he has. The entire measure—so far as these three paragraphs are concerned—is designed to preserve the common law as distinguished from the special contracts which have hitherto been entered into, under bills of lading, between ship-owners and shippers. We all know that there is a common law definition as to "delivery," and although a special custom may obtain in certain ports, we may rest assured that the common law interpretation of the word "delivery" as applied to ship-owners will be the same in one State as it is in another, and that ultimately it will be decided by the High Court for the whole Commonwealth. There can be no doubt that the common law interpretation which will be placed upon the word "delivery" by the High Court will be the same as that which is placed upon it under the common law of Great Britain. The particular word "delivery" seems to me to contain no greater danger than is contained in other parts of the Bill, inasmuch as it forces us to accept the common law interpretation placed upon it by the highest Court in England or in Australia.

Mr. Knox.—That is one of the important safeguards of the ship-owners.

Mr. BRUCE SMITH.—I would point out to the honorable member that the Bill does not alter the position as regards the common law.

Clause, as amended, agreed to.

Clause 5—

All parties to any bill of lading or document relating to the carriage of goods from any place in Australia to any place outside Australia shall be deemed to have intended to contract according to the law of the Commonwealth, and any stipulation or agreement to the contrary, or purporting to oust or lessen the jurisdiction of the Courts of the Commonwealth or of a State, in respect of the bill of lading or document, shall be illegal, null and void, and of no effect.

Mr. REID.—The honorable and learned member for Indi has brought under my notice a difficulty which may possibly arise in connexion with vessels carrying cargo incidentally between two ports of the same State. Consequently, I move—

That the words "law of the Commonwealth" be left out, with a view to insert in lieu thereof the words "laws in force at the place of shipment."

I may mention that under this Bill the "place of shipment" is always within the Commonwealth.

Mr. BRUCE SMITH (Parkes).—This Bill is intended to apply only to contracts made for the carriage of goods between State and State, or between Australia and other parts of the world, and only to bills of lading relating to shipments from Australia. But incidentally I would point out that the same ship may be carrying cargo between two ports of one State.

Mr. Reid.—The insertion of these words will subject a vessel to State law in regard to State contracts, and of course she will always be subject to Commonwealth law in regard to Commonwealth contracts.

Mr. BRUCE SMITH.—I would point out that under the amendment it is possible that a ship arriving here from a foreign country——

Mr. Reid. — Such a vessel would not come within the operation of the clause.

Mr. BRUCE SMITH.—So long as the form of contract embodied in recognised bills of lading was adopted by the shipping and ship-owning fraternity, the question of value did not arise. But it seems to me that that question now becomes an all-important one in the interests of everybody.

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We know very well that upon our Government railways, where there is a limit of liability, unless there is a declared value, injustice is sometimes done. But, on the other hand, justice is very often done, inasmuch as a consignor is prevented from working a fraud in regard to his consignments. We have no reason to suppose that fruit-growers do not possess the same weaknesses as other classes of the community. When once we do away under this Bill with the obligations previously imposed upon the shipper the question arises whether the ship-owner should not be entitled to ask him to make some declaration of the value of his shipment. That practice has been adopted by all the State Railway Departments of Australia. Where a person ships a case or package the contents of which cannot be seen by the ship-owner, he should be compelled to state its value, and should not subsequently be permitted to claim a larger amount than its declared value. The Prime Minister must recognise that we are not merely dealing with such articles as fruit or vegetables, which can be seen, but that we are dealing in the most wholesale way with the rights and obligations of ship-owners. We know very well that a case of jewellery, which may not occupy more than a square foot of space may be worth £1,000. The existing forms of bills of lading contain a condition that the shipper shall not be allowed to claim more than a certain amount unless he has previously declared the value of his consignment. We are now engaged upon a Bill which may have the effect of absolving the shipper, and throwing upon the ship-owner responsibilities without limit, so that it will be quite open for a dishonest shipper to ship a case of rubbish in the hope that something may happen to the vessel, in which case he will be able to ask for damages to cover a loss which he has not sustained. The common law will not protect the ship-owner. If the consignee said, "A case which was shipped by the *Australia* has not come to hand; it contained £1,000 worth of jewellery," how could the ship-owner prove that it was a case of rubbish? It is not imposing a hard condition to require shippers to declare at the time of shipment the value of their goods.

Mr. Reid.—I have looked carefully through the Bill, and it does not contain anything which would prevent ship-owners from stipulating for such a declaration of value.

Mr. BRUCE SMITH.—The clause is very comprehensive. The obligations of the ship-owners are not to be "lessened, weakened, or avoided."

Mr. Reid.—His obligations to do certain things. A stipulation made by the ship-owner, requiring a declaration of value, would surely not lessen his obligation. That obligation would be all the greater if the value of the goods was shown to be immense.

Mr. BRUCE SMITH.—Under the Bill, the shipper can claim for loss whatever may happen, so that the ship-owner is liable to unlimited claims, unless he can protect himself by some stipulation as to declarations of value.

Mr. Reid.—I think that he can so protect himself.

Mr. BRUCE SMITH.—Will the right honorable gentleman allow the Bill to be recommitted if, on looking into the matter more closely, I am able to show that the Bill prevents such a stipulation.

Mr. Reid.—Certainly.

Mr. GLYNN (Angas).—I do not think that there is any danger. There is no common law of the Commonwealth, but each State has a common law on this subject, which is modified by statute law.

Mr. Bruce Smith.—New South Wales has not.

Mr. GLYNN.—All the other States, I think, have. This measure does not interfere with the existing law, beyond preventing ship-owners from contracting themselves out of the liabilities arising from it. It is therefore inadvisable to place in it affirmative provisions. In my opinion, it would be a mistake to incorporate in it a provision such as the honorable and learned member has suggested, because by doing that we should be declaring the law.

Mr. Bruce Smith.—I recognise that difficulty.

Mr. GLYNN.—I think that every State has adopted the English principle of limiting liability in regard to very valuable articles, unless a declaration of value is made at the time of shipment. I regret that this clause is drawn up in an affirmative form. It would have been better and more consistent if it had provided that any attempt made by the bill of lading to oust the jurisdiction should be bad. The clause, however, declares the place of jurisdiction, and then says that it shall not be ousted. It seems to me that we are thus limiting by expressed words the choice of a place of jurisdiction, which may at present be either the forum where the breach has occurred or the place where the contract was entered

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into. It would have been better had the clause merely provided that the ship-owner should not contract himself out of any liability whereby the jurisdiction of the Court might be ousted, though, if the Prime Minister does not propose to change its structure, I am content to let it go as it stands.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 6 agreed to.

Clause 7 negatived.

Amendment (by Mr. REID) agreed to—

That the following new clause be inserted:—
"1A. This Act shall commence on the 1st day of January, 1905."

Mr. REID.—I move—

That the following new clause be inserted:—

"6A (1) In every bill of lading, with respect to goods, a warranty shall be implied that the ship shall be, at the beginning of the voyage, seaworthy in all respects and properly manned, equipped, and supplied.

(2) In every bill of lading, with respect to goods, unless the contrary intention appears, a clause shall be implied, whereby, if the ship is, at the beginning of the voyage, seaworthy in all respects, and properly manned, equipped, and supplied, neither the ship nor her owner, agent, or charterer, shall be responsible to the owner of the goods for damage to or loss of the goods resulting from—

(*a*) faults or errors in navigation or management of the ship for purposes of navigation;
(*b*) perils of the sea or navigable waters; or
(*c*) acts of God or the King's enemies; or
(*d*) the inherent defect, quality, or vice of the goods; or
(*e*) the insufficiency of package of the goods; or
(*f*) the seizure of the goods under legal process; or
(*g*) any act of omission of the shipper or owner of the goods, his agent or representative; or
(*h*) saving or attempting to save life at sea; or
(*i*) any deviation in saving or attempting to save life at sea."

This provision is practically the third clause of the Harter Act. The paragraphs which I have read are not a declaration of new law, but merely the affirmation of the existing law, which I have retained at the request of the ship-owners, made through the honorable member for Kooyong. The Harter Act contains only the words "management of said vessel," under which it was held that negligence in the management of a refrigerating chamber was an error in the management of the ship for which the owners were not responsible. I have, therefore, made the provision read "navigation or management of the ship for the purposes of navigation." Those words make the intention of the measure perfectly clear.

Sir WILLIAM LYNE.—The ship-owners would be responsible for any damage done to a cargo because of a faulty refrigerator?

Mr. REID.—Yes.

Mr. BRUCE SMITH.—Is that practically the only departure from the Harter Act?

Mr. REID.—Yes.

Mr. BRUCE SMITH.—The right honorable gentleman has left out the words "or property" in paragraphs *h* and *i*.

Mr. REID.—The advisability of inserting those words, which I had omitted accidentally, is one which is worthy of a moment's consideration. The shipper has property, and there is a contract to take it to a certain destination. The question arises whether the saving of property at sea might be a sufficient justification for doing something to risk the property the ship has.

Mr. BRUCE SMITH.—But the two matters might be mixed up. There might be a general sacrifice of deck cargo in order to save the ship.

Mr. REID.—That would mean a sacrifice of the property on board ship——

Mr. BRUCE SMITH.—To save the ship herself. It might be a matter of general average. Deck cargo might be thrown overboard in order to lighten a ship, and save her.

Mr. REID.—I must say that upon reflection, I am inclined to think that these matters are often so mixed up that we might have a ship-owner incurring such liabilities in respect of an attempt to save property—which might mean the saving of life—that he would be put in a position of risk in doing a humane act. I think that, on the whole, it would be fairer to accept this proposal. We know that captains do not unnecessarily go out of their way. It is only in cases of grave emergency that they do so. If we inserted these words, it would, at all events, save disputes. I, therefore, desire to amend my amendment accordingly.

Amendment, by leave, amended accordingly.

Sir WILLIAM LYNE (Hume).—The proposed new clause is a very comprehensive one, and embraces so many matters that it seems to me ship-owners will not be made liable in respect of very much.

Mr. REID.—We are simply declaring what the law is at present.

Mr. HUME COOK.—If it is the law, why restate it?

Mr. REID.—I am simply doing it to satisfy the ship-owners. The clause states what is the common law at present. I think it better to have it in the Bill.

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Sir WILLIAM LYNE.—The provision relating to the condition in which produce is received is of great importance. How is the question of condition to be determined? Should not ship-owners see that goods are properly packed when they are received on board? To my mind, this clause is likely to lead to endless litigation. It would be very easy, for instance, for a ship-owner to say that a case of fruit was not properly packed.

Mr. KELLY.—The onus of proof will lie on the ship-owner.

Mr. REID.—If he accepts the case in good order and condition.

Sir WILLIAM LYNE.—I am familiar with the process of packing apples for export. They are generally put in special cases made of strong palings; but I have seen sailors deliberately standing, without rhyme or reason, on the weaker parts of these boxes, and thus damaging the fruit. In such a case a ship-owner might say that the fruit was not properly packed, or that the boxes were not properly constructed, and endless litigation might be created. We have not had an opportunity to read and consider the amendment, and I think it is rather too comprehensive. It seems to me that the word "property," to which reference has been made, was properly left out in the first instance.

Mr. BRUCE SMITH.—It is in the American Act.

Sir WILLIAM LYNE.—The draftsman omitted it from this clause.

Mr. BRUCE SMITH.—But he left out all these other matters.

Sir WILLIAM LYNE.—The insertion of the word "property" in the proposed new clause might be dangerous to the interests of shippers. I think that honorable members should have an opportunity to read and thoroughly grasp the meaning of the amendment before they agree to it.

Mr. HUTCHISON (Hindmarsh).—I certainly should like to know a little more about the meaning of this clause before we pass it. It seems to me that a master of a vessel, under this provision, would be allowed to save other persons' property and to receive compensation for doing so, and yet escape liability for damage done to goods on board his vessel, as the result of that act. I do not approve of anything of the kind. I fail to see why a shipper should have no remedy for damage done to his goods, as the result of the action of a master of a ship, who preferred to look after some one else's property. The shipper ought always to be protected, and I understood that this Bill was to protect him under every condition. The shipping companies will, of course, protect themselves when incurring any risk. We all approve of a ship-owner or master running any risk to save human life, and I am prepared to accept the provisions of the clause relating to that particular point; but I desire to know whether a ship-owner would be liable, under the clause, for damage done to goods received on board his vessel, which was seaworthy on leaving port, but which, as the result of the incompetence or intemperance of the master, became unseaworthy?

Mr. BRUCE SMITH.—How could we determine whether a master was competent when the ship-owner must engage a master holding a certificate, and when that certificate is issued by the Crown?

Mr. HUTCHISON.—I gather from the honorable member's remarks, that, under this clause, a shipper would not be compensated for damage done to his goods as the result of an error of judgment on the part of a master. It seems to me that if the clause be carried, the Bill will give shippers very little more security than they at present enjoy. Are owners to be made liable for the pilfering of goods received on board their vessels?

Mr. BRUCE SMITH.—The matter is covered by a previous clause.

Mr. HUTCHISON.—Suppose, as the result of incompetence, or intemperance, a master lost his ship, or caused the cargo to be seriously damaged, would the shipper of goods by that vessel receive no compensation?

Mr. REID.—A shipper insures his goods against loss by another process.

Mr. HUTCHISON.—That is not the point. The intention of the Bill, as it stands, is to protect a shipper against all risk of damage to his produce from the time the vessel leaves port, until it reaches its destination.

Mr. REID.—In respect of which a ship-owner is responsible under the existing law.

Mr. HUTCHISON.—But I have not yet received an answer to my question whether a shipper will be able to obtain compensation for damage to goods caused as the result of an error of judgment on the part of an incompetent or intemperate ship-master.

Mr. GLYNN (Angas).—I do not intend to object to the amendment, because I know that some ship-owners are very uneasy with

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regard to the provisions of this Bill. I think their anxiety is groundless, but if it will satisfy them to have some limitation expressed in the Bill itself, perhaps it is just as well that there should be one.

Mr. HUTCHISON.—It all depends to what extent we are going.

Mr. GLYNN.—This provision is copied from the American Act, and the bulk of the provisions of that Act are at present matters of common law. In other words, there is, for example, a provision in the Harter Act, which has been incorporated in this clause, that there shall be no liability for insufficient package. Any damage done to goods in that way would be due to the shipper's own negligence, and the ship-owner, therefore, should not be liable. Then, we provide that a ship-owner shall not be liable for deterioration in the goods received on board his vessel, which is due to any inherent defect, or vice. As shown by a quotation from *Abbott* there is no liability on the part of an owner in respect of matters of that kind. If it will satisfy the ship-owners to have that stated in black and white in this Bill, I shall not object, although I think it will interfere with the object of the Bill. The principle of the Bill is to prevent a ship-owner contracting himself out of the law, but we are now proposing to affirm something else.

Mr. HUTCHISON.—Do I understand that a ship-owner would not receive compensation for damage done to goods, as the result of the incompetence or the intemperance of the master of the vessel by which they were shipped?

Mr. GLYNN.—I was about to say that we had adopted the principles of the Harter Act to a greater extent than the necessities of the occasion demand. If a ship-owner, through the master of his vessel, be incompetent—in other words, if, as the result, say, of the master's drunkenness, damage is done to goods on board—the shipper is entitled under the English law to recover any loss so incurred.

Mr. BRUCE SMITH.—Or to recover any damage as the result of negligence.

Mr. GLYNN.—Yes. But I am not sure that this Bill will not exempt ship-owners from that liability. I do not desire to prejudice this proposal in the eyes of the ship-owners, because they are afraid of many provisions in the Bill in respect of which there is really no cause for anxiety. I trust, however, that the Prime Minister will give us an assurance that he will be prepared to embody in the Navigation Bill a declaration of what the law is in relation to shipping all over Australia. We do not know at present whether there is any common law binding on the Commonwealth. It is the law of the place of shipment which regulates shippers and ship-owners, and what constitutes the law of the place of shipment depends upon the legislation of the States. As the honorable and learned member for Parkes has said, New South Wales has very little legislation bearing on the matter, and I hold that there should be one uniform law for Inter-State and external trade throughout Australia. I therefore hope that as we are passing this measure, with certain imperfections of drafting, the Prime Minister will consider the question of introducing a separate Bill, which will declare the extent to which the common law applies in Australia, and also deal with the statutory provisions. This is only a temporary measure, and in the circumstances I think we ought to accept the clause, in order to remove the anxiety of ship-owners.

Mr. REID.—I was just going to say that I have no desire under this Bill to alter the law in any respect. I have no desire, for instance, under this Bill to make the law easier for the shipper or the ship-owner; I simply wish to prevent persons contracting themselves out of the law—to prevent them making a law for themselves, contrary to the actual law, under circumstances which really leave one party to the bargain no option whatever. What I am anxious to do is to secure the passing of this clause, and to refrain from moving the adoption of the report until a later stage in the sitting. In the meantime I shall satisfy myself as to whether or not the Bill is really altering the existing law. If we are altering the law prejudicially to the shipper, I must say that I have no such object in view in proposing this legislation. I wish to leave the law as it is. I do not wish to touch it in favour of one side or the other. If honorable members will allow the clause to pass in these circumstances, I shall not move the adoption of the report at once, but will postpone the matter in order that I may have an opportunity to more fully consider the points raised by the honorable member for Hindmarsh and the honorable and learned member for Indi.

Mr. FOWLER (Perth).—I desire to urge one point which may be worthy of consideration. The clause contains a provision which

is intended to safeguard ship-owners in the event of a ship becoming engaged in the preservation of life or property. Suppose that one vessel went to the assistance of another and took it in tow. Suppose, further, that this had the effect of lengthening the voyage for perhaps a week, during which time certain perishable goods were damaged. The salving vessel would be entitled to substantial compensation, whereas the owners of the goods spoiled by the extra time taken on the trip would apparently have no redress. I should like the Prime Minister to consider whether shippers should not in fairness be recouped for any loss incurred under such circumstances.

Mr. KNOX (Kooyong).—I circulated an amendment embodying the main provisions contained in the third section of the Harter Act, and I wish to recognise the courtesy of the Prime Minister, who has reconsidered his amendment, with a view to arriving at some compromise which would prove satisfactory to those whose interests are chiefly affected. I took upon myself to communicate by telegram with the councils of the Chambers of Commerce in Sydney, Adelaide, and Brisbane, indicating to them the nature of the amendment proposed by the Prime Minister. They do not consider that it goes far enough. Whilst they are very anxious to see legislation of the character proposed in the Bill as introduced, they do not wish to inflict any injustice upon ship-owners, and I think that the Prime Minister is adopting a wise course in deferring the adoption of the report until he has had an opportunity for further consideration. I suggest that the amendment should be printed and circulated, so that honorable members may have an opportunity of considering its effect. I understand that the Prime Minister is merely setting out the exemptions which ship-owners already possess under the common law, and I trust that the provision will eventually be shaped in such a way that it will prove equitable and satisfactory to all concerned.

Proposed new clause agreed to.

Bill reported with amendments.

LIFE ASSURANCE COMPANIES BILL.

In Committee (Consideration resumed from 17th November, *vide* page 7138):

Clause 2 (Limitation of amount payable on death of children),

Upon which Mr. LIDDELL had moved by way of amendment—

That the following words be added:—"Provided that it shall be illegal to insure the life of a child under the age of two years."

Mr. HUME COOK (Bourke).—When the honorable and learned member for Darling Downs left for Sydney he asked me to take charge of this Bill. Having done so at very short notice, I shall have to ask for the best consideration of honorable members, because I am not as familiar as is its sponsor with all its details. The honorable and learned member for Darling Downs requested me to oppose the amendment moved by the honorable member for Hunter. If honorable members will assist me to pass the Bill as it stands I shall be obliged.

Amendment negatived.

Clause agreed to.

Clauses 3 to 7 agreed to.

Schedule.

Mr. GLYNN (Angas).—Personally, I am glad that the clauses have been passed so expeditiously, because, since the Bill was formerly under discussion, I have had an opportunity of satisfying myself that the drafting is effective. I believe that some honorable members have expressed the opinion that the amounts for which the lives of children could be assured under the schedule are too high. In view of the fact that the object is merely to cover burial expenses the amounts applying to some of the ages appear to be too high. Under this Bill we are asked to allow a maximum of £45 for this purpose in cases where the child is between nine and ten years of age. In my opinion it would require to be a pretty "swell" funeral to cost that sum. It would be much better to allow the existing laws of assurance to apply generally, and to confine the provisions of this Bill to burial expenses. It seems to me that in this Bill we are invited to deal jointly with two subjects—to make provision for burial expenses, and also for assurance. That, I think, is a mistake. I would further suggest a reduction of some of the larger amounts contained in this schedule. It seems to me that the figures contained in the last four lines might very reasonably be decreased. My object is to confine the operation of the Bill to its true purpose. In England the highest amount payable under similar legislation is £10. Why should we incorporate in this measure a provision, the effect of which may be to

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induce the assurance of children's lives? Why offer, however unlikely it is to be operative, a temptation to parents, by allowing the sum of £45 to be payable upon the death of a child of ten years of age?

Mr. HUME COOK.—I may say that the figures contained in this schedule are based upon the American schedule, rather than upon the English one. The reason is that the expenses connected with a funeral, medical attendance, and medical comforts are very much higher in Australia than they are in the old country. Under the circumstances, it was felt proper to prescribe a scale which, whilst it would not be too high, would be liberal enough to cover all reasonable costs.

Mr. CROUCH.—Why does a child of six years of age require a funeral which will only cost £10, whilst a child of ten years of age needs one which will cost £28?

Mr. HUME COOK.—I understand that this schedule is intended to cover the cost of medical attendance in addition to funeral expenses. We know very well that whilst some parents will cut funeral expenses down to the lowest possible limit. others will do the very reverse. The figures contained in the schedule are intended to be of a reasonable character, without permitting of lavish expenditure. Regarding the other point which has been raised by the honorable and learned member for Angas, it has been found that the mortality amongst those who are assured is less than it is amongst those who are not assured. In my judgment, there is no need to apprehend that any murderous practices will be adopted for the sake of gaining the small amounts which would be obtainable under this Bill. Under the circumstances, I ask the honorable member not to press his intended amendment. I would further remind him that, in the absence of any law of this character, parents may assure the lives of their children for any amount they please, whereas the Bill regulates the sum for which they may assure them.

Mr. McCOLL (Echuca).—I do not think that it would be wise to make any alteration in the schedule, because the amounts are kept very low up to the age when children incur any risk of being subjected to improper practices by their parents for the sake of obtaining money. Under this Bill an assurance can be effected upon a child's life which will be payable either at death, or under its endowment provisions. Policies should be taken out just as they can be under existing legislation, and under the ordinary tables. I have often heard parents say that they would like to assure the lives of their children for small amounts which would be payable at sixteen or twenty years of age, so as to give them a start in life. This Bill should permit of that being done. I think that the schedule might very well be allowed to pass in its present form.

Mr. HUTCHISON (Hindmarsh).—I am entirely in sympathy with the objects of this Bill. I am inclined to think, however, that there is something in the contention of the honorable and learned member for Angas, that the amounts prescribed in the schedule are too high. I find that the English Act permits of the payment of a maximum sum of only £10, whereas in this Bill we propose to allow of the payment of four times that amount. I am of opinion that £45 is much more than is required to defray burial expenses, and the cost of medical attendance, save in exceptional cases. I should like to hear from the honorable member in charge of the Bill some reason as to why the scale prescribed is so much higher than is that contained in the English Act. I am quite satisfied that in this country child life has been sacrificed, although I do not think that the amounts stipulated in the Bill would induce anybody to indulge in such practices.

Mr. LIDDELL (Hunter).—When this Bill was previously under consideration I ventured to make a few observations upon it. Subsequently, it was pointed out to me that my remarks were rather "far-fetched," and that they should not have been made, unless they could be supported by statistics. It has often been observed that statistics can be made to prove anything, and I believe that there is a good deal of truth in that statement. Nevertheless, I wish to place before the Committee as briefly as possible, what has occurred in the old country in connexion with the assurance of the lives of children. This matter was first brought under notice in 1889, as the result of the report of a Select Committee which investigated the position of friendly societies. In that year, a report was also issued by the Society for the Prevention of Cruelty to Children in Liverpool, and there was a good deal of correspondence and leader-writing in the columns of the *Manchester Guardian*. In support of my contention that the assurance of the lives of children of tender years has a tendency to induce

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what is practically child murder, I may mention that the journal in question states that in some places the infant mortality in England aggregated not less than 200 per 1,000 annually. In the *Manchester Guardian* it is stated that during the three years ended 1887 inquests were held upon 452 children, 182 of which were inquests upon children whose lives were assured. During the year ended September, 1887, inquests were held upon not less than 311 children, 157 of whom were assured, and ninety-five being infants under one year old who had been found dead in bed. Whilst this matter was under discussion, Mr. James Milson Rhodes, M.D., took the trouble to go through the report of the Registrar-General. He found that that officer reported for the year 1900, that of 927,063 children born, no fewer than 114,912 had died before reaching the age of one year. It would naturally be supposed that, with the generally improved sanitary conditions, the rate of infant mortality would decrease. These statistics, however, clearly prove that it did not. The general death rate has decreased from 22 per 1,000 to 18·2 per 1,000, but that reduction does not apply to infants. The mortality amongst child life to-day is as high as it was fifty years ago, namely, 154 per 1,000. No less than 50 per cent. of the children who are born never attain their first birthday. According to the report of Mr. William Wynne Westcott, M.B., Coroner for North-East London, during the past ten years 15,000 infants have died in England and Wales as the result of overlying. In the year 1900, there were 1,774 such deaths. In Liverpool, there were 143 cases of overlying out of 960 inquests, or more than one in seven cases. The death rate from this cause in England is shamefully high. In 1900, there were 615 such cases, in 1901 there were 511, and in 1902 the number was 588. Dr. Templeton, of Dundee, classified 258 deaths of infants from overlying, with this result as to age—Under one month, 62 deaths; from one to two months, 67; from two to three months, 66; from three to four months, 21; from four to five months, 16; from five to six months, 13; from six to seven months, 5; others, 4. Many of these were infants who were found dead in bed with adults, but these deaths were due to natural causes. About the same time, the Bishop of Peterborough, who was interested in the matter, brought forward a Bill, dealing with it, in the House of Lords. In a speech which he delivered in support of the Society for the Prevention of Cruelty to Children, he stated—

He hoped that the society would impress upon the Legislature the cruelty that was practised through the present system of child insurance.

I must apologize to the Committee for having occupied so much time, but as I had spoken upon the second reading of the Bill I thought it only right that I should endeavour to establish the contentions which I then put forward. I merely desire to show that the crime of infanticide undoubtedly exists in Great Britain. It is a crime which it is very difficult to prove. The ways of doing a young child to death are so many, and so simple, and the difficulty of proving the manner of its death is so great, that infanticide is a crime which it is very hard to bring to justice. Furthermore, the public inquests which are held on the cases that occur, serve to instruct others who wish to murder their children, as to the best means of doing so. I do not for a moment say that it is the working man who commits this kind of crime. If assistance is required, it is from the honest and industrious workman that the coroner is able to get it. The persons to whom this particular form of crime appeals are, not honest, hard-working men and women, but lazy and criminal individuals, and the fact that insurance agents travel round the country, day after day, and week after week, collecting doles of money, is a constant temptation to them. They see how easy it would be to exchange a perhaps sickly baby for a sum of money in hand. The insurance agents are exceedingly well paid—I believe that they get from 20 per cent. to 40 per cent. of the money collected—and it is therefore to their interest to insure as many lives as they can. It is hard to see how the companies can profit by this business, though it must be remembered that many of the premiums are allowed to lapse, and that is so much clear gain. There is a danger, however, that companies which will not be so scrupulous as those now engaged in the business may be encouraged to enter it. It appears to me strange that the British are the only people among whom the undertakers' trade flourishes, and I therefore suggest to the Labour Party that it might be an excellent thing for them to advocate the nationalization of the burying industry. I ask the Committee, before finally agreeing to the Bill, to consider the matter very closely.

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These little children appeal to us by reason of their very helplessness. If it were made impossible to insure children under the age of two years, a good deal of temptation would be removed from parents and guardians.

Mr. RONALD (Southern Melbourne).—I hope that no obstacle will be placed in the way of this very salutary and benevolent measure because of the fear that people may do away with their children to obtain paltry burial fees. Such a suggestion is a reflection on humanity. I am sure that the practice of infanticide does not exist, to any serious extent, at any rate, in Australia. Whatever distress we may have here, there is always bread for the children, and therefore there is not the temptation to destroy child-life which may exist in London and other British cities. I should be sorry if this or any other legislative body did anything to jeopardize the tender lives of children, but I am sure that the Bill will not have that effect. We must bear in mind that the cost of doctor's attendance in case of sickness, and undertaker's fees for burial in case of death, is a very heavy tax upon struggling workpeople who are bringing up a family, and we should do everything that we can to help them. I think it would be better, however, to prevent the insurance of children under six months, instead of under three months of age, because dental affections, vaccination, and infantile complaints generally make the first six months of a child's life, as statistics show, a very critical period; but I hope that we shall hear nothing further of this bogy of the danger of allowing children's lives to be insured. The measure provides for a scientific system of life assurance, and I think contains sufficient safeguards. I hope that it will be speedily passed, and will be fruitful of good things.

Schedule agreed to.

Title agreed to.

Bill reported without amendment.

Ordered—That the Bill be recommitted for the purpose of reconsidering clauses 2 and 6.

In Committee (Recommittal):

Clause 2—

A life assurance company may contract to pay on the death of a child . . . . any sum of money which . . . . does not exceed the amount specified in such schedule as payable on the death of the child between such ages.

Mr. KELLY (Wentworth).—I move—

That the following words be added :—" and every policy issued under and by virtue of the provisions of this section shall set forth that the total sum or sums recoverable on the death of any child as assurance moneys or other benefits from any one or more life assurance companies or friendly societies shall not exceed the amount so specified in such schedule."

The object of the amendment is to safeguard, as far as possible, those amongst whom these policies may be popular. The Bill prevents life assurance companies from assuring the life of any particular child for more than the amounts mentioned in the schedule; but the parents of a child may insure its life with two or three companies. We know that if it was thus assured for more than the amount mentioned in the schedule the surplus could not be recovered; but the parents would be in the unfortunate position of having paid much heavier premiums than they need have paid. The amendment which I propose to move in clause 6 is consequential upon the present amendment.

Amendment agreed to.

Clause, as amended, agreed to.

Clause 6—

(1) It shall be an offence under this Act

Amendment (by Mr. KELLY) agreed to—

That the following paragraph be inserted in sub-clause (1) :—

"(*c*) if a policy issued under and by virtue of the provisions of section two shall not set forth that the total sum or sums recoverable on the death of any child as assurance moneys or other benefits from any one or more life assurance companies or friendly societies shall not exceed the amount so specified in the schedule hereto."

Clause, as amended, agreed to.

Bill reported with amendments; report adopted.

Bill read a third time.

PREFERENTIAL TRADE.

Debate resumed from 8th December (*vide* page 8111) on motion by Mr. DEAKIN—

Inasmuch as every increase in trade between the mother country and the Colonies or any of them would be of mutual advantage commercially, while collectively, by multiplying their production, profitable employment, population, and exchanges, such increases must enhance the unity and power of the Empire, this House resolves that—

1. The encouragement of industry and commerce within the Empire is a high national aim of paramount importance to all its peoples.
2. The proposals of the Secretary of State for the Colonies at the Colonial Conference of 1902, as then approved and since tentatively defined in order to foster inter-Imperial trade, outline a patriotic and statesman-like policy of

internal development and external influence, whose details should be discussed by a further Conference at the earliest opportunity.

3. The Prime Minister be requested to consider the existing openings for preferential trade relations between Australia and other colonies.
4. The Prime Minister be invited to obtain all data necessary for the preparation of a measure granting a preference to British imports into Australia which compete solely with imports from foreign countries.
5. The Prime Minister is hereby authorized for and on behalf of the Commonwealth to offer to the Government of the United Kingdom a preference upon its exports to Australia in return for a preference upon our exports to Great Britain and Ireland, such preference to be reciprocally adjusted according to Schedules sanctioned by Parliament.

Mr. REID (East Sydney—Minister of External Affairs).—As honorable members know, the subject that is embraced by the series of proposals moved by the honorable and learned member for Ballarat, is one upon which the Government are unable, unhappily, to speak with a united voice. One of the incidents of the fiscal truce which has enabled the present Government to come into office is that upon questions of this kind, Ministers shall preserve their independence. I therefore do not, upon the present occasion, intend to do more than express my own views. I hope that my honorable colleague, the Minister of Trade and Customs, to whose Department this subject more immediately relates, will favour the House with his views with the same freedom that I propose to claim for myself. I listened with very great pleasure and attention to the eloquent speech delivered by my honorable and learned friend, the member for Ballarat, in moving this motion. I think he showed a most praiseworthy desire to leave out of this debate as many of the controversial aspects of this question as he consistently could. As I understand his object, he is anxious at the present time to elicit the opinion of the Parliament upon the main principle involved in all these proposals for a new departure in fiscal policy.

Mr. DEAKIN.—Hear, hear.

Mr. REID.—I very much regret that this late period in the session does not give the honorable and learned member that scope for an exhaustive discussion of his proposals that we should like. In the first place I may say that no part of my honorable and learned friend's speech gave me more lively satisfaction than did that which showed his keen perception of the value of commercial interchange. On that subject, I think every one who shares my views is heartily at one with him. Indeed, I believe that the main reason of the difficulties which have prevailed between free-traders and protectionists has chiefly arisen from the fact that we who believe in a policy of commercial freedom have the highest possible sense of the value of commercial interchange. If the principle of freedom of commercial interchange be a good one, as we believe it is, we must welcome with the most cordial satisfaction anything which seems to tend to a more clear appreciation of the value of commercial freedom—everything which seems to give that boon more and more freely to the people of the British Empire. One of the difficulties of this great subject, it appears to me—a difficulty which is already seen, and which will become acute if this project comes to a point—is that of reconciling the desire for commercial interchange with the desire to pursue a policy of protection to Australian industries. The two principles are absolutely in conflict. I notice that on every occasion upon which my protectionist friends affirm their belief in preferential trade they are careful to add a postscript to the effect that they must pay due regard to the interests of Australian industries. I think this question, especially in relation to the people of the mother country, is one which should be dealt with in a spirit of the utmost candour. I cannot conceive of anything more unjustifiable on the part of the self-governing parts of the Empire, which have deliberately adopted a policy hostile to the policy of the mother country, than is any encouragement of hope in the breasts of the British people that the people of Australia are prepared to receive the products of their industries more freely than before, if there be no real intention to carry out that policy, when we come to consider the terms of a specific agreement.

Mr. LONSDALE.—Which there is not.

Mr. REID.—I must leave my honorable friends, who represent the other side of the question, to answer for themselves; I cannot accept any statement from the honorable member for New England, as representing the views of my honorable friends on this question. But it is only fair to say that when the Protectionist Association of Victoria cabled to Mr. Chamberlain their warmest approval of his proposals, they were careful to inform him that they could not go with him to any length inconsistent with the

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due protection of Australian industries. And so, at the public meeting which was held at the Town Hall a few weeks ago, the resolutions adopted were drawn in the same guarded, yet candid, language. There is already upon the notice-paper of the House an amendment in the name of the honorable member for Hume, which is in the same direction. The honorable member for Hume proposes to add to paragraph 5 the words "with due regard to protecting the industries of the Commonwealth." That amendment is a perfectly proper one to place upon the business-paper in connexion with this matter. It is absolutely the duty of the protectionists of Australia to speak with the utmost plainness upon this question. No one can respond more heartily than I do to the fervent appeal made by my honorable and learned friend to the spirit of brotherhood which happily prevails within the limits of the British Empire. I think that there can be no sort of difference between the honorable and learned member and those who support him, and honorable members who take the view which I intend to express, on those great questions of intention, of good faith, which affirm our loyalty to the Empire, and our determination to preserve it at all hazards. I claim to be as anxious to promote the welfare and the best interests of the British Empire as is my honorable and learned friend. I believe that those who are not able to look as affectionately as he can do upon this proposed new departure are just as loyal, and are just as prepared to stand by the obligations which membership of the British Empire entails, as is any honorable member who is the most ardent believer in Mr. Chamberlain. Let us never introduce into those broad principles which link men of all classes and of every shade of political belief—let us never bring into such considerations as those—any narrow party distinctions. Let us give each other credit for an absolutely honest desire to do that which will best promote the welfare of the great Empire to which we belong. I start, therefore, from precisely the same point as does my honorable and learned friend. But the best consideration that I have been able to give to this matter shows me, first of all, that there are innumerable difficulties to be overcome before the policy can be adopted; and, secondly, that it is a matter of the gravest doubt whether such a policy would conduce to the stability or the prosperity of the British Empire. I put it in two ways. In the first place, the project is one of the most difficult enterprises that has ever engaged the attention of statesmen; and, in the second, it is a matter of grave doubt whether the policy would be beneficial, if it were adopted. Again, in the interests of a candid perception of the position of affairs, I must refer to the situation in which this matter was placed at the Imperial Conference, in the year 1902. As honorable members will recollect, there was a Conference in London in June and July, of 1902, at which the Commonwealth was represented, and at which the matter of preferential trade was discussed. Before it was considered, Mr. Chamberlain, then Secretary of State for the Colonies, and President of the Conference, put his views in the plainest possible terms. I wish to read one or two quotations from the declarations—which were studied, responsible declarations—made by that distinguished man, upon that memorable occasion. In the first place, I desire to read a sentence or two which, to my mind, give the real key to the motive for this new departure on the part of Mr. Chamberlain. Preferential trade is only one feature in his policy. In my view, the motive and the ruling power in this policy is the desire to bring these self-governing States into the intimate responsibilities of the British Empire. That distinguished man, with a confession of doubt as to the fortunes of the Empire, which sounded strangely, coming from so buoyant and high a spirit, described Great Britain as staggering under the too vast orb of her fate. If this feeling on the part of that distinguished man be well-founded, if the burden of Empire is becoming too great for the mother country, then this appeal must mean that we are called upon to inaugurate an entirely new policy with reference to the relations between these self-governing States and the central authority. At this particular moment, it is well to recollect the fact that there was a preferential policy in Great Britain long ago; but it was a preferential policy worthy only of the narrow, selfish spirit which dominated the policy of England 100 years ago. It was a policy which discouraged in every possible way the legitimate freedom of the Colonies of the Empire to engage in the most ordinary operations of commerce. The policy of Great Britain at that time was shaped so jealously and so tyrannically against the free instincts of the Colonies that it was impossible for any colonial merchant to

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import goods from any country in the world unless they were first landed on the shores of the United Kingdom.

Mr. HIGGINS.—That was compulsory—there is no preference where there is compulsion.

Mr. REID.—It was preference applied by the over-ruling power to its own advantage. I think it was the most direct kind of preference; a kind of preference which you can manufacture for yourselves, and which involves the giving of nothing in exchange. I do not, however, wish to quarrel about mere phrases. I am merely referring to the historical fact that at one time the statesmen of England thought that the solidity of the Empire depended upon laws that restrained the freedom of the Colonies, which interfered with the ordinary operations of trade, and which compelled the intercourse of the Colonies with foreign nations to be conducted under the difficulties to which I have referred. In those days, England had Colonies which were held not by sentiments of affection but by the powers of control which she could exercise over them. Just in the proportion that a more enlightened policy was adopted, under which England gave her Colonies the utmost freedom to carve out their own destinies for themselves, did she earn their affection, and afterwards the devotion of the people of the Empire. We must never forget that this loose system of relationship has made the solidity of the Empire a matter for marvel. I suppose that nowhere in the realms of fiction would any one be found bold enough to paint an Empire which would stand so loyally and closely together over all parts of the globe, whilst so free from control and from the domination of officialism. Yet the great spectacle which confronts us to-day is that, in spite of the liberty given to these self-governing parts of the Empire, even to the passing of legislation hostile to the mother country, even to prohibiting the importation of the manufactures of the mother country, which gave them their freedom—in spite of a liberty so generous and ample, there has grown up in the Empire a feeling of loyalty which is worth many armies.

Sir JOHN FORREST.—And all to our advantage, too.

Mr. REID.—I heartily agree with my right honorable friend. We must begin by remembering that the stability of the British Empire was never greater than it is to-day, that its cohesion was never more firm than it is to-day, and that a grave responsibility rests upon those who wish to contract that freedom. I admit that mutual arrangements are in no sense an interference with freedom. I do not forget that distinction, but I would only make the observation that business arrangements between close relations do not always present the best method of preserving the peace and harmony of family life. I would only remark, in connexion with business bargains between those of the same flesh and blood and kith and kin, that when difficulties and quarrels do arise, they seem to be far more bitter and obstinate than those which occur between others who are not so closely related.

Mr. FISHER.—And they are more far-reaching in their consequences.

Mr. REID.—I do not ask that too much weight should be attached to it, but one of the considerations that make me shrink from entering into close relations of a business character with the mother land, rests upon the fact that without such relations we have been able to develop to its highest pitch that sentiment of loyalty which is the true bond of union between self-governing peoples. I now want to come a little further down and to ask honorable members to recognise the great difference between the position of the people of these great self-governing States and that of the people of the mother country. When honorable members become impatient at the earnest appeals which are sent across the seas by the representatives of the masses of the British workers of to-day, they forget, perhaps, how different is the history of the masses in England from that of the masses in favoured lands like these. In favoured lands like these, the path of labour has been a noble and prosperous one. Bitter hardships may have been endured by the pioneers in the furthest wilds; but the masses of our people to-day have grown up upon this rich continent under conditions of comfort which are not often seen in the homes of the crowded populations of the old world. And when this call comes across the seas from the workers of England to the workers of Australia, let us remember that even the British Premier himself describes the horror of the taxation of food as a thing which has been burnt into the breast of labour by centuries of misery and starvation. Therefore, let us remember that whilst a young country like this, which has illimitable resources, a scattered population, and comparative pros-

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perity, can afford to make mistakes, and to try experiments, still to the crowded millions of the United Kingdom—42,000,000 crowded within 120,000 square miles, —a mistake means much more. The margin between comfort and want in England is not so great as it is here. We must remember what is at stake, when the people are called upon to consider any departure from the policy which has made the people of England undoubtedly less miserable than they were before, which has raised the conditions of the masses during the past fifty years, not only by an enormous increase of wages, but by something which is as valuable to the working man, the enormous decrease in the prices of the necessaries of life. These two causes working together have elevated the manhood and womanhood of the United Kingdom from the conditions of misery under the policy that was fashionable fifty or sixty years ago, and we must give them credit for their anxiety to know what will be the result before they go back to the policy which brought that misery upon them. I suppose that if the Labour Party of Australia were to send a memorial from this Parliament to the people of England, they would expect it to be regarded as a fair representation of the wishes of the working classes of Australia. Then, when I say that all the members of the British Parliament who can be said to form the Labour Party, have unanimously represented the feeling of the workers of the mother country as being adverse to anything that would involve the taxation of food——

Mr. McDONALD.—And the majority of the labour organizations joined them in that.

Mr. REID.—When I say that all the members of the House of Commons who may be specially singled out as direct representatives of labour, have joined together in that representation, it ought to be accepted as faithfully voicing the wishes of the bulk of the population. I do not wish to make too much of this, except to repeat that to the millions of the United Kingdom the smallest increase in the cost of living is a serious item. Then I cannot forget that behind this great policy, with its noble aims—no one disputes the nobility of the aims of the policy—behind this great policy, which aims at high Imperial results, we see the privileged powerful classes of England, we see the great landed interests of the mother country, the great manufacturing interests, the great financial interests of the city of London, massive powers which represent everything but the people—we see these crouching behind Mr. Chamberlain. Is that in the interests of the Colonies? No. They are crouching behind him to renew, under the shelter of this bulwark of Imperial unity, the privileges and monopoly which worked so much mischief to the people of England in the days that are gone. I put these considerations only in order to show that the matter is not an easy one to decide, and that it is easy to understand the hesitancy of the British people under the circumstances of their history. Great as Mr. Chamberlain was, and deservedly is—he is a man for whom I personally have a high admiration —commanding as was his influence in the Cabinet of the nation, when he presented to that Cabinet a proposal to tax the food of the British people, even he had to retire from the Government. The strain was too great, the price to be paid for his adhesion was too high. Mr. Balfour, in his letter to Mr. Chamberlain, when the latter was retiring, referred to the question upon which I have laid stress. In writing to Mr. Chamberlain, in September of last year, with regard to his resignation from the Cabinet, he said, in one paragraph relating to the subject of the taxation of food—

There could be no more conclusive evidence that in your judgment, as in mine, the exclusion of taxation on food from the party programme is, in existing circumstances, the course best fitted practically to further the cause of fiscal reform.

That was the point at which the rock split, the taxation of food. In choosing between Mr. Chamberlain and his policy of taxation of food, even the Government that represents the landlords of England had to pause.

Mr. ISAACS.—There was something more encouraging to Mr. Chamberlain in that letter.

Mr. REID.—That may be. I am dealing with one point, the taxation of food. I do not accuse Mr. Balfour, in his reiterated declarations that the policy of the Government did not include taxation upon food, of an intention to bring about the taxation of food. In the course of his speech at Sheffield, upon the 1st of October last, Mr. Balfour—he had his party before him, and the occasion was a very momentous one—said—

I am, therefore, distinctly of opinion — I am speaking here as one who is bound to give advice to a great party on the policy which they

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should regard as their official policy, and as the best results of my reflections I am bound to ask you to adopt the conclusion that a tax on food is not, with public opinion in the state in which we now find it, within the limits of practical politics. So much for the colonial branch of the question. . . . I believe the country will not tolerate a tax on food.

Now, as we know, a system of preferential trade which does not include British taxes upon food is not one that can commend itself to the Australian Colonies. Later on, in the House of Commons, upon the 18th of May of this year, Mr. Balfour said—and honorable members must understand that at present I am referring only to this one topic—

Discussions like this upon a question not before the House during the present session, not to be before the House in the next session, not to be before this House in any session at all, should be in the interests of parliamentary government as a whole, left on one side.

Upon the same date he also stated—

I can only assure my noble friend that the policy, which is commonly described as the Sheffield policy, is still my policy.

On the 1st August, 1904, in the House of Commons, the Prime Minister made the following statement:—

Then I am asked whether I think a tax ought to be put on for any purpose of colonial preference?

That is putting the position in a broad way.

I have expressed my view in the clearest language on that point, and I see no reason for altering it. That reason is not founded, as I understand the reason of some of my honorable friends is, upon some immutable scientific and economic ground. It is based upon the fact that, I believe, for historic reasons, there is a feeling about all taxation of food, however insignificant —or, at all events, all taxation of wheat, because we tax food already—altogether in excess of any damage which a small tax is likely to produce. I have expressed that view over and over again.

Here we find the Prime Minister of England—who refused to adopt Mr. Chamberlain's policy of colonial preference, and who had to accept Mr. Chamberlain's resignation because he declined to adopt it—day after day, and month after month, asserting the fixed attitude of the Government and of the British people with reference to that class of taxation. Now I come to Mr. Chamberlain, and I think that he put before the Conference of Premiers in a very frank way what he means by a "bargain" upon this subject. Here, however, we must pause. I would point out that there is a broad distinction to be drawn between a voluntary preference, granted by a loyal self-governing State to the profit of Great Britain, and a business bargain, and it is to the credit of Canada that she gave a voluntary preference—and a liberal one—to the mother country, without making any request for a preference in return.

Mr. WATSON.—She is making that request now, though.

Mr. JOSEPH COOK.—No.

Mr. REID.—It may be that one of the tendencies of holding out these glittering inducements is to gain development, not in a spirit of loyalty, but in a spirit of bargaining.

Mr. ISAACS.—Can anybody doubt that Canada expected to receive reciprocal treatment?

Mr. REID.—If my honorable friend will excuse me for saying so, I cannot reply to interjections without unduly prolonging my speech. The Conference of Premiers of the self-governing States, which was held in 1902, took up a generous attitude. It pledged itself to give this voluntary preference to the people of England. Whilst it may not astonish those honorable members who have read its conclusions, it must come with a shock of surprise to some—in view of the stress which is laid upon the aspect of bargaining, of giving something to gain something—to learn that the representative of the Commonwealth, and the representatives of the other self-governing States of the Empire, absolutely resolved that a substantial preference should be given to the mother country as a voluntary act, and that they merely expressed a hope that the mother country would see her way to adopt a reciprocal policy. Would it not be a grand starting point for this policy of preferential trade, if, in order to show our spirit of loyalty to and affection for the mother country, which we have shut out of our ports for thirty years past—and would it not be a proof of generosity and loyalty worth having—if we proposed to reduce our taxes in favour of the United Kingdom? Of course, there comes a point at which we have to choose, and Mr. Chamberlain, to his credit, expressed himself upon that point with the utmost clearness. After referring to the community of sacrifice, to which I have already alluded, he spoke with great candour upon this subject of preferential trade. He referred to the Canadian experience as a very disappointing one. He thanked Canada for her action, but referred to her experience as

very disappointing. In this connexion, he made use of the following observations:—

The net result which I desire to impress upon you is that in spite of the preference which Canada has given us, their tariff has pressed, and still presses, with the greatest severity upon its best customer.

A preference which does not assist a man is not worth much.

Mr. WATSON.—It has assisted British trade in Canada.

Mr. REID.—We all attach so much weight to what Mr. Chamberlain says, that I feel I am justified in quoting these observations. But, of course, it must be remembered that they were made in 1902.

Mr. DEAKIN.—And were replied to.

Mr. REID.—Mr. Chamberlain continues—

and has favoured the foreigner, who is constantly doing his best to shut out her goods.

Now I come to something which is still more explicit—

The very valuable experience which we have derived from the history of the Canadian Tariff shows that while we may most readily and most gracefully accept from you any preference which you may be willing voluntarily to accord us——

Mr. BRUCE SMITH.—To whom were those remarks addressed?

Mr. REID.—They were addressed to the Premiers of the self-governing States, who met in Conference in London in 1902. Mr. Chamberlain then offered his grateful acknowledgments for the preferences which had already been granted by Canada, and for any preferences which might be voluntarily granted to the goods of the mother country. But he continued—

We cannot bargain with you for it; we cannot pay for it unless you go much further and enable us to enter your home market on terms of greater equality.

One does not need to ask an eminent statesman to express those terms. If any man of the slightest business knowledge had to deal with this problem, is it likely that he would be satisfied with a bargain which gave him nothing but expressions of loyalty?

Mr. CROUCH.—He qualifies that statement.

Mr. REID.—We all qualify everything. I am merely reading what Mr. Chamberlain said. He continued—

So long as a preferential Tariff, even a munificent preference——

Mr. CROUCH.—The right honorable gentleman has missed a sentence.

Mr. REID.—If I have, I must ask the indulgence of honorable members, because, if I were to quote every word of a speech which extends over twelve pages of printed matter, I should occupy too much time. I hope that the honorable and learned member for Corio will give me credit for simply desiring to put Mr. Chamberlain's views fairly before the House. I repeat that Mr. Chamberlain said:—

So long as a preferential Tariff, even a munificent preference, is still sufficiently protective to exclude us altogether, or nearly so, from your markets, it is no satisfaction to us that you have imposed even greater disability upon the same goods if they come from foreign markets.

I wish to point out—and I think I fairly may—that there is no difficulty in the way of an ardent and sincere protectionist raising the duties upon articles of foreign export. That is a thorough protectionist policy, which has nothing to do with the stability of the British Empire, although it has a great deal to do with the increased advantage which is given to the colonial manufacturer. In the fourth paragraph of his motion, the honorable and learned member for Ballarat invites me to do a thing which has some significance. That paragraph states—

The Prime Minister be invited to obtain all data necessary for the preparation of a measure granting a preference to British imports into Australia which compete solely with imports from foreign countries.

My idea of the range of Australian industries is not so small that I do not know that already—perhaps only to a small extent—we have industries in the paths of manufacture which represent every great industry in the United Kingdom to-day. If honorable members will pick out the thirteen lines upon which the heaviest duties are levied, they will not find one line which does not represent an Australian industry.

Mr. FISHER.—Except iron.

Mr. REID.—But the honorable member must recollect that the little plant which is just struggling out of the ground should not be trampled upon by the protectionist. The theory of protection is that in young countries, whilst industries are small and struggling, protection is necessary. If my protectionist friends will abandon that theory, and declare their willingness to stamp out those industries for the benefit of British manufacturers, I should like to hear them say so. It would mark a great advance or a great retreat, because, in all young countries, manufacturing industries have small beginnings. The great industries of the future

will have only small beginnings, and one of the difficulties of my honorable friends is that they must either decree the extinction of the small, struggling manufacturing industries of Australia, or they must refrain from giving a substantial entrance for British manufactures into Australia. I should like to point out that when we talk of the Empire we should bear in mind what that expression really means. The British Empire has sixty countries within its bounds. It contains races of every colour. It has 11,500,000 square miles of territory either annexed or under its protection, and one of the secrets of this call of distress from the mother country—perhaps it is a real necessity—comes from the enormous increase in her naval and military expenditure. Let us refer for a moment to the cost of maintaining the Navy and Army of the mother country during the past twenty years. During the financial year 1903-4, the total amount contributed by the British taxpayer to naval and military expenditure was £69,000,000. In fifteen years—that is, down to 1898-9—it had increased by £15,000,000. That was a large increase. But during the subsequent five years there was a further increase of £25,000,000 in the annual expenditure of the mother country for defence. That is to say, the total twenty years ago was £29,000,000, the total now is £69,000,000, an increase of £40,000,000 in twenty years. I am not going to deal so lightly with the vast problems of Imperial defence as to suggest that that expenditure is not necessary. But I wish to say that the genesis of this agitation set going by Mr. Chamberlain rests in the enormous pressure of this naval and military expenditure. I cannot wonder at the people of the mother country looking to her children for further help. Some people talk of this £200,000 that we give to the British Navy as a magnificent display of Australian generosity. I say that we are bound to look our responsibilities to the British Empire more squarely in the face. But do not let us mix up two different things. Do not let us talk about some financial bargain, in order, in some indirect way, which may fail, which may never come to pass, to recognise the honest liabilities under which we stand. Have not the events of the past few years shown us, as we never saw before, that the day will come, and come soon, when we shall need to lean upon no other power? I am sure that every man who is worthy of the name of Australian must long for the time when we shall be able to face the mightiest power on earth. But, looking at the armed nations as they stand to-day, looking at the policy which we have honestly and fairly adopted, we must not forget that there is only one thing in these beginnings of ours which stands between us and invasion, and that is the British flag. I am prepared to go a great way to recognise our obligations to the mother country. If the people of the mother country come to think that this policy of preferential trade will meet in some way the obligations that we owe to them, I wish to offer no sort of serious difficulty. The crux of the situation does not lie here; it lies there. It is because I honestly and earnestly believe that this new departure, instead of strengthening the pillars of Empire, instead of promoting the prosperity of the millions of England, Ireland, and Scotland, will do something else, that I am opposed to it.

Mr. ISAACS.—That is not Mr. Balfour's opinion.

Mr. REID.—I, with great respect, still venture to retain my own opinion.

Mr. ISAACS.—The desire is to know the opinion of the Australian people.

Mr. REID.—May I suggest to my honorable and learned friend that there is a consensus of opinion in both the Conservative and Liberal circles of England, that the next general elections will not give an answer favorable to Mr. Chamberlain. I think that that distinguished gentleman admits it himself.

Mr. WATSON.—The issue will be rather complicated, from what we can learn.

Mr. ISAACS.—The education question may have something to do with the result of the elections there.

Mr. REID.—I admit it. Perhaps this is the counter-complication. Since these remarks have been made, I may be allowed to observe that there is a wonderful attraction about a loyal policy. I believe, and I honestly admit, that a majority of the electors of Australia at the last elections pronounced themselves to be in favour, in the abstract, of a policy of preferential trade. I think that it is only fair that I should honestly make that admission. But I believe that the greatest mass were anxious simply to do anything which the mother country thought would help her. I believe that a large number more were fascinated by the attractive prospect of an enormous market for Australian produce,

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with a fence raised against other competitors.

Mr. AUSTIN CHAPMAN.—A very good thing, too.

Mr. REID.—A large number of protectionists were also fascinated with the prospect, because they did not think arrangements would be so adjusted as to seriously injure the protected interests of Australia.

Mr. DAVID THOMSON.—All protectionists are not in favour of it.

Mr. REID.—I admit that. I am speaking only of the mass. I know of several notable exceptions. I am dealing with what appears to me to have been the manifestation of public opinion. But all the great leaders of Australian opinion who have advocated this cause are protectionists.

Mr. EWING.—By no means.

Mr. REID.—I am very glad to hear that it is not so. The call to help the mother country sounds pleasantly in any man's ears. The question is more with my protectionist friends than with me: Will they, listening to this wail of British industries, that they are debarred by our policy from entering Australian markets, open those markets to British manufacturers? If nothing is to be given in return, we stand face to face with a spectacle which does not excite any kind of admiration. We know from a high authority in Melbourne that the agricultural interests of England are in a state of great distress. We have been told, in the columns of the leading protectionist journal here, in the most violent language, which seemed almost to evince a spirit of satisfaction, that British agriculture is in its last extremities. Is Australian agriculture in this new Continent going to appeal for a preference which will add to the miseries of the struggling farmers of England?

Sir WILLIAM LYNE. — How will it do that?

Mr. REID.—Do not honorable members think that the farmers of Great Britain are entitled to a little fence against the farmers of big young countries which shut out the manufactures of Great Britain? What a novel bargain this is! You may open your markets to English agriculture. It is very generous of you, but it does not count. The English farmer does not export to Australia, and if he did, the price of land and other conditions would make the bargain a hopeless one. The next proposition is this—and it is right that the people of Australia should know it—"You give our farmers a benefit, and we will give your manufacturers a benefit." Surely it cannot be, "You give our farmers a benefit, and we will give your manufacturers nothing." It is well that, in dealing with these questions, we should get close to the real issues involved. If those who favour preferential trade, if those who ask for an opening for their produce in the markets of England, are willing to give substantial benefits in return, we may differ about the policy, but we admire its fairness. But if there is any attempt to make a bargain in which an admittedly great advantage is to be given to us, without any return, I think that we are embarking on an appeal to the mother country which will fail. There is one of two things which we can do. We can say to the mother country, "We will give you a preference, and will ask nothing in return;" or we can say to the mother country, "We will give you a preference, and we will ask something in return." But the condition in either case is that we give the mother country a preference. It is not that we promise a preference and do not give it. Between loyal brethren, no advantages of that sort are taken. We are all speaking as loyal subjects. We wish to be absolutely plain, fair, and candid. I ask, will the protectionists of Australia send the message across the seas, "If you will give us an advantage for our great producing industries, we will open our markets to your great British manufactures"? That is the question which has to be solved first. Mere resolutions and mere promises will not do much. I wish it to be distinctly understood that, whilst I question the advantage of any of these arrangements, so far as Great Britain is concerned, I do not wish to speak in the same way with reference to the advantage which may come to the Australian producers from any such scheme. I do not wish for a moment to underrate what might be the substantial advantage to the Australian producers of some such arrangement with the mother country. But before the mother country can be expected to go back upon that great policy of hers, some substantial offer must be made, and the choice must be made between the manufacturers in the town and the producers in the country. Any preference by way of increased duties on the foreigners in regard to articles which we do not manufacture would not appeal to business men in England. Our industries may be small, but they cover pretty well the

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whole area of British manufactures. Where does the unity of the Empire come in, unless there are uniform arrangements made through the whole circle of the Empire? There is one grand benefit and advantage in our simple arrangements, such as they are—that they have some uniformity. There is the basis of a great principle underlying this seeming disregard of ordinary conditions. There is the vital principle of each self-governing part of the Empire maintaining its perfect independence. That is the principle which is wrought out of these wonders of Imperial unity. There might be something substantial in this vision of Imperial unity, if you could bring about some such grand conception as free-trade within the British Empire. If you could encircle the whole of this marvellous Empire with some uniform system, there would be Imperial unity. But if the circle is broken, if there is one arrangement here and another there, instead of union and unity you have chaos. Take the great country of India, which is part of the Empire. We have 400,000,000 people under the supremacy of the British Crown, 380,000,000 of whom are to-day under a practically free-trade policy, while only 20,000,000 are under protective laws. Honorable members who talk of the Empire seem sometimes to feel as if there were a great protectionist element in it, and that only a slight connecting link was required to complete the circle. But out of 400,000,000 only 20,000,000 British subjects live under protective laws.

Mr. MAHON. — How many of the 400,000,000 are niggers?

Mr. REID.—I admit that many of them are; but I think that they are still human beings.

Mr. MAHON.—They are not much good as consumers.

Mr. BAMFORD.—They have no voice, at any rate.

Mr. REID.—I am saying only, most modestly, that they are subjects of the King. I hope that the phrase is not unnecessarily elevating to these unfortunate people.

Mr. HUME COOK.—How many are voters?

Mr. REID.—I mentioned that fact merely to show the difficulties with which we have to contend. But there is another great difficulty. India has a Tariff of a very low revenue grade. One would think from all that we have heard that the foreigner must have been dumping enormous quantities of foreign goods into India where there is no protective barrier, and no preference, and that the mother country must have been suffering seriously. Instead of that, the mother country sends to India about twice as much as she takes from her, and the foreign nations take from India about twice as much as they sell to her. Here is a remarkable set of circumstances. It seems to go quite against the grain of the picture that is so often presented to us —that in the absence of preference to the mother country, British trade is going to the dogs. The latest figures that I have been able to obtain with reference to the trade of India show that the foreigners—and I am including the foreign nations generally—sell to India £26,500,000 worth of goods every year, and buy £68,000,000 worth of her produce.

Mr. POYNTON.—A part of this bargain would be that the goods of India would be given a preference in Australia.

Mr. REID.—Yes, India is a part of the Empire.

Mr. POYNTON.—That is a point for the protectionists to consider.

Mr. REID.—It is. The United Kingdom sells £47,500,000 worth of goods to India every year, as against £26,000,000 worth sold by foreign nations, while the value of the goods that she buys from India is enormously less than is the value of those which she sends there. I wish to point this out so that honorable members will be able to understand why the Government of India, who were specially asked to report upon these proposals, reported strongly against them. They said that the whole fabric of their trade would be shattered if foreign nations were invited to enter upon a policy of hostility. I mention the position of India as indicating one of the difficulties of Imperial unity in the way of trade; there are many other difficulties to which I need not refer. When the people of England are anxious about the cost of their means of subsistence that are obtained from abroad, what is the cry? Once the cry was, "Get your food supplies within the Empire, and you will be safer in time of war." There is nothing in that.

Sir WILLIAM LYNE.—There is a good deal in it.

Mr. REID.—I was going to suggest that the seas would have to be traversed by ships carrying Australian food just as they would have to be traversed by ships carrying food from Russia or the United States.

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If there is any law which imperils the conveyance of food to England in time of war, it would apply to colonial food sent in British ships, just as much as it would apply to American food sent to Great Britain in other vessels.

Mr. ISAACS.—But other countries might refuse to supply it.

Mr. REID.—That is quite true; but that is a condition of things which has not yet created much inconvenience in the world's commerce.

Sir WILLIAM LYNE.—It is at present causing some inconvenience at Port Arthur.

Mr. REID.—Let me mention another aspect of this question, which to my mind shows a want of candour, and appeals to the meanest feelings of the British people. Do honorable members observe how Mr. Chamberlain and others always bring forward Germany as an object for public execration—although Germany takes nearly as much from Great Britain as she sells to her—while there is not a word about the United States of America, which is the arch-offender. The United States have built up a Tariff wall which is intended to absolutely exclude the products of England and yet they sell £130,000,000 worth of raw material to England every year. The difference in trade between the United States and Great Britain is a difference between about £130,000,000 worth of American produce purchased by Englishmen, and £30,000,000 of British produce sent across the seas to America. Is it not a wonder that there is not sufficient candour on the part of the advocates of this policy to induce them to point to the United States as the arch-example of danger to British commerce? And yet, do we not know that the gigantic deal by the Americans with the people of England is one of the greatest securities for the preservation of the grandest link the Anglo-Saxon race has ever seen? I suppose no candid man will say that the friendship of the United States is not of more importance to Great Britain than is the enmity of all the rest of the world put together. I do not wonder that none of these attacks are made upon the United States. If we consider this matter, we are brought face to face with the point that the first, and the most serious sufferer by the new departure, would be the greatest friend England has, or ever wants to have. I do not say that she does not richly deserve to be punished; but in the management of that complicated marvel, the British Empire, the British Government have anxieties enough, and dangers enough ahead of them without cutting into the financial susceptibilities of the great American people. It is not sympathy for the American dealer that appeals to me; it is sympathy with the people of the mother country. Is not the enormous importance of the problem affecting food brought home with greater force to us when we remember that if this country were peopled as densely as is the United Kingdom, we should have to feed and clothe every day 1,000,000,000 of the human race; that, if Canada were peopled as densely as the mother country is, she would have to clothe and feed every day 1,285,000,000 of human beings, and that the United States, in the same circumstances would have to clothe and feed every day 1,019,000,000 of human beings? When we think of the enormous pressure of human want upon that small speck of earth, as compared with the vast territory of these young nations, cannot we feel an emotion of sympathy with the anxieties of those crowded millions? Surely their struggles for subsistence and for decency in their homes is already bitter enough? I am happy to think that, bitter as the struggle is, it is not half so bad as it was when the destinies of England were under an artificial fiscal policy. One little fact will, perhaps, help to put the mother country in a better light. I can give the figures only for England and Wales; but out of a population of 31,500,000 in England and Wales in 1903, there were only 106,000 able-bodied paupers.

Mr. WATSON. — But there were 12,000,000 on the line of semi-starvation.

Mr. REID.—Does not that prove what I am saying?

Mr. WATSON.—I am quoting it as against the statement just made by the right honorable gentleman. It shows that the free-trade policy has not been such a huge success in Great Britain.

Mr. REID.—What policy could be a huge success in a country where there are 41,000,000 people on 121,000 square miles of land? May I point out that, after England had been enjoying the most lavish dose of protectionist nourishment the world has ever seen—when the population of England and Wales was 19,000,000, instead of 31,500,000—there were 30,000 more able-bodied paupers there than there

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are to-day. In the year 1854—after the free-trade period had just been entered upon——

Mr. WATSON.—That was eight years after the corn duties had been repealed.

Mr. REID.—But they formed only a part of the policy; it took a long time to bring down the great policy of protection in England.

Mr. EWING.—The figures relating to paupers were higher after the duties were repealed than they were before.

Mr. REID.—I merely wish to put the facts.

Mr. EWING.—What I have stated is a fact.

Mr. REID.—If the honorable member glances at the statistics for the last twenty years he will find that the number of able-bodied paupers is infinitely less than it ever was.

Mr. EWING.—Some years elapsed after the introduction of the free-trade policy before the numbers decreased.

Mr. REID.—I simply wish my honorable friends to understand the broad fact that although 12,000,000 persons are said to be just on the brink of want in England, there are only 106,000 able-bodied paupers out of 31,500,000 people in England and Wales. I am sure not one of us is sorry to hear that. In 1854, however, there were 135,000 able-bodied paupers, although the population of England and Wales was then only 19,000,000.

Mr. WATSON.—That was during the free-trade *régime*.

Mr. REID.—England was just beginning to recover from a rather staggering dose of the other policy.

Mr. WATSON.—It was eight years after the repeal of the corn laws.

Mr. REID.—Only a statistician would make that remark. The position was much worse before 1854.

Mr. WATSON.—Then the Prime Minister should quote the right figures.

Mr. REID.—The only available book in the library to which I was able to refer went back no further than 1854.

Mr. BRUCE SMITH.—At all events, under free-trade the position is very much better.

Mr. REID.—The total number of persons in receipt of charitable relief last year —excluding able-bodied paupers who could work, but could not obtain employment, but including the poor and infirm, who could not work if work were obtainable—was 833,000, as against 864,000 souls, with a population of 19,000,000 in 1854. I wish now to come to the trade between the mother country and Australia. The total imports and exports of Australia represent £86,000,000. Of that trade the United Kingdom has £40,000,000 worth, and British Possessions have £20,000,000 worth. It will thus be seen that of our total trade of £86,000,000, £60,000,000 is done with countries within the Empire. That does not look as if the Empire had not a fairly good grasp of our trade. We must remember that there is an enormous number of things which we cannot obtain, at all events very easily, within the British Empire.

Mr. WATSON.—Will the right honorable gentleman give the separate figures relating to imports and exports?

Mr. REID. — We import £24,800,000 worth of goods from the rest of the British Empire, and we send out to them £35,500,000 worth. Do not let us think that we are giving away anything. This is simply the movement of trade. We send out £11,000,000 worth more than we take from the rest of the Empire, but with reference to the world at large, we import £13,000,000 worth of goods, and send out £12,700,000 worth.

Sir WILLIAM LYNE.—Where did the right honorable gentleman obtain his statistics?

Mr. WATSON.—The figures relate to the British Empire, not to Great Britain alone.

Mr. REID.—I mentioned that. These figures, which are to be found in *Coghlan*, and are the latest available, were obtained for me by my secretary. With reference to the foreign trade, it will be seen that we practically sell to as much as we buy from foreign countries. I do not attach much importance to these figures of trade. The mysteries of commerce are so varied that it does not follow that, because a certain article goes to a certain country, that country buys it. The mere sending of it there may be the result of operations in England, or in some other country at the other end of the world in exchange for trade which never came here. I am merely giving a broad outline, which may afford us some little clue. Speaking generally, instead of the foreigner dumping down his goods in Australia, and taking nothing away, he takes as much as he sends.

Mr. KING O'MALLEY.—He takes a great quantity of wool.

Mr. REID.—More Australian wool is consumed in foreign countries than in Great Britain herself. I desire only to put a few of these considerations to honorable members.

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The fifth paragraph of the motion is to the effect that the Prime Minister is authorized to offer a preference in return for a preference. It is only right to point out what the attitude of the Imperial Government is. It would be perfectly idle for me to offer a preference to the Imperial Government when they say that they absolutely repudiate the policy of preference. The Prime Minister of England has made that position absolutely clear. His statement is, "We decline to submit the policy of colonial preference to the British people at the next election. We stand on the policy of retaliation." May I suggest that under the head of retaliation it might be proposed to proceed even so far as to penalize British communities which raise duties against the British manufacturer. We cannot separate ourselves from Germany and other countries that raise duties upon British products. I am not questioning the policy of Great Britain. That is a matter for the people to settle for themselves. I am merely speaking of the fact that, under the policy of Mr. Balfour, retaliation might be directed even against British self-governing States, although he would not be mad enough to so apply it. The policy of Great Britain towards her Colonies is proverbially generous. The present policy of the British Government is not to impose any taxes upon food, and not to enter into any preferential trade arrangements with the Colonies, but, after the next general elections, if they survive——

Mr. MALONEY.—They will not survive.

Mr. REID. — Nearly every one admits that they will not survive, but, if they do survive, they propose to hold a Conference of representatives of different parts of the Empire. In point of time, that means that there cannot be an election for at least a year to come. That election may prove fatal to these projects altogether, in which case it will be idle to talk of preference. At the very earliest the election cannot take place for a year, and even the Conference is contingent upon the result of the election. I wish to say at once that I am thoroughly in favour of Mr. Balfour's idea of a Conference, and of the representatives going to that Conference with a perfectly open mind. No man, if he has studied them as long as I have, can avoid having convictions upon these matters; but I feel that, however strong our own views may be, we ought always to be in a frame of mind, if we go into Conference, to listen with the greatest respect to the views of others. Therefore, so far as I am concerned, I see no difficulty in the way of carrying out what I conceive to be the grand project of thoroughly threshing out these matters in the light of the combined wisdom of the representatives of the British Empire. If the British people are in favour of preference, my great objection to it will cease. I do not profess to be so wise that my views are of more weight than the decision of the majority of the electors of Great Britain. If they are prepared for this policy of preference, and are satisfied that it will be a good thing for the mother country—I do not suppose that we want it if it will be a bad thing, for our loyalty would not lose itself so far as that is concerned—we should approach the matter in a generous spirit. If we are to bargain with the mother country, we should do so in a generous spirit. We should remember all the obligations we are under to her, and we should desire to give substantial preference in return for substantial preference. I therefore welcome the amendment of the honorable member for Hume. It will afford a straightforward test of the application of the principle. I do not complain of the amendment being moved, because it will, better than all the speeches in the world, enable the people of the mother country to understand what we really mean by this proposal. I am not complaining of it because I am not a protectionist. I quite enter into the opposite views of my honorable friends, and I am not reproaching them. I might have cause to do so if they sacrificed the young industries which have been brought into existence by their policy. I conceive that the responsibility of the protectionists to the young industries that have been brought into being by their policy is a great and serious one. But let us be candid. Let it be known—as the honorable member for Hume invites us to say—that whilst we are willing to grant preference in every possible way, the protectionists of Australia do not believe in any sacrifice of the Australian manufacturing industries.

Mr. ISAACS.—Not only the Australian manufacturing industries, but any other industries.

Mr. REID.—I quite accept that. I think that the manufacturing industries are most in danger. I do not think that the wheat-growing or bacon-producing industries will be exposed to any serious risks, although they may be. As honorable members know,

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I believe in a revenue Tariff, and if we had such a Tariff at present the mother country would have no grievance against us. Every country recognises the right of every other country to raise revenue, without any affectation of hostility. If this concession is to be made upon the basis of a protectionist Tariff I am prepared that it shall be substantial, and that we shall, as nearly as possible, apply revenue duties only to the products of the mother country. If the arrangement entered into is satisfactory, so far as our staple products are concerned, I shall be the last one to deny that it will have a very serious bearing upon the agricultural industries of Australia. The English market is magnificent. It is one of the marvels of that little island that, with all its infatuation regarding defenceless ports, and in spite of its rapid march along the road to national ruin, it is the one market which all the nations of the world strive to reach, the one market which regulates values all over the world. The flash of a few words on the cable across the seas will raise or lower the prices of the staple commodities of mankind; that is, if they flash from London and not from any other part of the world. That is the mighty power that England has, and I do not for a moment deny that if she uses it in the interests of the Colonies some of them, at any rate, must derive most substantial benefits. So far as I am concerned, I believe this British Empire is worth preserving. I believe thoroughly in the grandeur of this great heritage which has been handed down to us by our forefathers, and is consecrated by so many glorious memories of genius, heroism, suffering, and triumph. And, although this great Empire may have been won in the dark ages by the force of arms and maintained by fear, I rejoice in the knowledge that right round the vast circle of its great possessions there is no race subject to the King to-day which is deprived of the rich and manifold blessings of peaceful and just rule. I have no ambition stronger than to join with those who would hand down this Imperial trust to our descendants untarnished and invincible, an ever-increasing source of safety and happiness to our own people and to all nations.

Mr. McLEAN (Gippsland—Minister of Trade and Customs). — It was not my intention to take part in this discussion, but it has been suggested to me that if I and other protectionist members of the Government remained absolutely silent on the present occasion misapprehension might arise outside. I do not think that honorable members would be misled, but members of the public might be under a misapprehension, inasmuch as it might be thought that my honorable friend the Prime Minister spoke on this question for the whole of the Cabinet. Now, whilst I believe that the greater number of the problems that confront this Parliament, and the greater number of the questions with which we have to deal within the next two years, can be successfully grappled with by a coalition Government, I nevertheless wish it to be distinctly understood that with regard to the fiscal question we have agreed to differ. I may say—and I think I speak for the other protectionist members of the Government—that I am thoroughly in accord with the views expressed in the magnificent speech delivered last week by the honorable and learned member for Ballarat. I regard that speech as one of his greatest efforts, and I think that in saying that I bestow upon him one of the highest meeds of praise.

An Honorable Member.—They were both good speeches.

Mr. McLEAN.—Yes, the speech delivered by the honorable and learned member for Ballarat, and that to which we have just listened from the Prime Minister, were magnificent deliverances. I do not for one moment wish it to be understood that the speech of the Prime Minister is in any way inferior to that of the honorable and learned member for Ballarat. My honorable colleague dealt with the matter in that masterly manner that characterizes all his great utterances, and whilst I differ materially with him upon the fiscal aspects of the case, I am prepared to admit that no one can more effectively put forward his side of the question.

Mr. Poynton.—One was in the clouds, and the other was on bed-rock.

Mr. McLEAN.—I believe that the honorable and learned member for Ballarat purposely refrained from raising the contentious element. He placed the question in a light in which it might reasonably be approached by every moderate free-trader, as well as by protectionists. The Prime Minister pointed out the great danger to the British people of departing to the slightest extent from that policy which has done so much to increase wages, and to reduce the cost of living during the last half-century. I would, however, ask him, whilst referring to the progress made by

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Great Britain under free-trade, to take a glance at the progress made during the same period by the great protectionist nations. Fortunately, I found in my pocket some old statistics that exactly suit the present occasion. *Mulhall* tells us that from 1840 to 1888 there was a considerable increase in the expenditure per inhabitant in Great Britain. We know, of course, that the increased expenditure in a country depends upon the increased earnings of the people. I could give both sides, but I wish to deal only with the aspect of the question that was referred to by the Prime Minister. *Mulhall* says that during these forty-eight years the expenditure per inhabitant in Great Britain increased by 20 per cent. The increased expenditure of France under a protective policy was 147 per cent.

Mr. LONSDALE.—From what base does *Mulhall* start?

Mr. McLEAN.—He puts it in this way. For every £100 expended in Great Britain in 1840, £120 was spent in 1888, and for every £100 expended in France in 1840, £247 was spent in 1888. Similarly, for every £100 spent in Germany in 1840, £360 was expended in 1888, or an increase of 260 per cent., compared with Great Britain's increase of 20 per cent. In the United States, for every £100 expended in 1840, £330 was spent in 1888—an increase of 230 per cent.

Mr. REID.—My honorable friend is not advising Great Britain to become a protectionist country?

Mr. McLEAN.—I am replying to the statements of the Prime Minister. The right honorable gentleman put his side of the question so cleverly that unless the other side be presented, people will naturally assume that the protectionist nations of the world have not progressed in the same ratio as has Great Britain. I am endeavouring to prove that the protectionist nations of the earth have progressed infinitely more rapidly than has Great Britain, and I am sure that I should be the last to say a disparaging word of the mother country. Nobody in Australia is more loyal to Great Britain than I am. With regard to manufactures, what do we find? That during the 300 years in which Great Britain pursued a protective policy, she distanced all competitors—distanced the whole world—so much so, that it was confidently predicted that in a very few years she would become the great workshop of the universe. But what was the result under a free-trade policy? I admit that the manufactures of Great Britain made substantial progress under that policy, but her progress was as nothing compared with that which was made by the great protectionist nations of the earth. During the first half-century after Great Britain adopted a free-trade policy, Germany increased her manufactures by considerably more than double the rate of the former. That is a very substantial difference. In the same period the United States increased her manufactures ninefold more than did Great Britain—an increase of more than 900 per cent.

Mr. REID.—The Minister should recollect that America has an area of 3,000,000 square miles, as compared with Great Britain's 120,000 square miles.

Mr. McLEAN.—I am speaking only of her manufactures. When I come to deal with the question of production, the picture presented is, I am sorry to say, a very different one. Instead of Great Britain making progress in her primary productions under a free-trade policy, those productions show a considerable falling off. In the period of which I am speaking over 1,000,000 acres went out of cultivation, whereas the United States multiplied her productive area more than fourfold, and France and Germany considerably increased theirs. Great Britain is the only country in the world where the area under cultivation has fallen off, since she adopted a free-trade policy.

Mr. SPEAKER.—Order! I would point out that the question before the Chair is not protection *versus* free-trade, but a motion advocating the adoption of a scheme of preferential trade. Incidental references to some of the points which were made by the Prime Minister were not out of order, but I am afraid that the Minister is now exceeding such references. I hope that he will discuss the matter which is before the Chair.

Mr. McLEAN.—I bow to your ruling, sir, but I would point out that if I am precluded from showing that the arguments of my right honorable friend are, to some extent, fallacious, my attempts to reply to him will be very ineffective. He opened up the fiscal issue in connexion with the great question of preferential trade, and I admit that it is impossible to separate the two things.

Mr. SPEAKER.—I would point out that the whole speech of the Prime Minister was by no means of a fiscal character, otherwise

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I should have called him to order. It is true that he made several incidental references to the fiscal question. For example, he claimed that the policy of England prior to her adoption of a free-trade policy, was in some respects, one of preference. When the right honorable gentleman used such an argument I could not interfere, because it was perfectly germane to the matter which is under consideration. But when the Minister of Trade and Customs not only deals with the policy of Great Britain, but proceeds to discuss the protective policy of Germany and the United States, he is travelling far beyond the scope of the Prime Minister's remarks, and of the motion before the Chair.

Mr. McLEAN.—I bow to your ruling, sir, but I am sorry that it will make my reply a very ineffective one. I regret that I am prevented from discussing a question of world-wide importance in the most exhaustive way. I do not know whether I shall be out of order in replying to the statement of my right honorable friend in reference to the percentage of paupers in the mother country.

Mr. SPEAKER.—I am bound to apply to the Minister the same rules as are applicable to other members of the House. One of those rules is that the remarks of an honorable member must be germane to the question before the Chair. If the Minister can connect his remarks concerning paupers with the question of preferential trade, as the Prime Minister did, he will be entirely in order. But a discussion as to whether there were more paupers in England under free-trade than there were under a protective policy would not be in order. The Prime Minister made only incidental reference to that question. Had he continued to refer to it, I should have called him to order.

Mr. McLEAN. — The Prime Minister has referred to the very small percentage of able-bodied paupers to be found in the mother country. But in this connexion *Mulhall* proves that whilst the total inhabitants of the United Kingdom contribute 6s. 1d. per head annually for the relief of pauperism, the population of the United States, which enjoys the highest protective Tariff in the world, contribute only 2d. per head. That should be an effective reply to the remarks of the Prime Minister in regard to pauperism. Coming to the question of preference itself. my right honorable friend quoted statistics with a view to show the relative amount of trade which Australia does with the mother country, with British possessions, and with foreign countries. It appears to me that that is the crux of the whole matter. The Prime Minister questions whether it is possible for us, under a protective policy, to give any substantial advantage to the manufacturers of the mother country. It appears to me that it is quite possible to do so. I have perused our trade statistics for the past four years, and I find—very much to my regret—that whilst our imports from Great Britain are diminishing, those from foreign countries are steadily increasing. That is a very serious matter. Had I anticipated speaking to-night, my researches would have gone back very much further than four years. But in regard to that period what do I find? In 1899 we imported from the United Kingdom £21,230,000 worth of goods, whereas in 1903—or four years later—we imported only £19,855,000 worth, a decrease of £1,375,000. Within the same period, we imported from foreign countries—I mean from countries outside of British possessions——

Mr. POYNTON.—Is the Minister speaking of Australia?

Mr. McLEAN.—Yes, I am speaking of the Commonwealth.

Mr. POYNTON.—In 1899 the New South Wales market was free to English goods.

Mr. McLEAN.—In 1899 we imported from foreign countries £9,063,000 worth of goods, and in 1903, £12,975,000 worth, or an increase of £3,912,000. There was thus an increase of nearly £4,000,000 in our imports from foreign countries, whilst in our imports from Great Britain, there was a falling off of £1,375,000.

Mr. POYNTON.—What was the nature of the goods imported?

Mr. McLEAN.—I merely took the total value of the goods. If that condition of things is permitted to continue for a few years longer, it is evident that our trade will drift from the mother country to foreign countries. It is that drift which we desire to stop. We wish to divert as much of the existing trade of foreign countries as we can to Great Britain, without injury to Australia. I believe that that result can very readily be accomplished by judicious re-adjustment of the Tariff when we come to deal with details. In the bulk of cases, I believe that we can increase the duties operative against the foreigner, whilst allowing them to remain as they are against

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Great Britain. In some instances, however, I have not the slightest doubt that we can decrease the existing duties in favour of the mother country.

Mr. POYNTON.—Can the Minister think of any cases in which that can be done now?

Mr. McLEAN.—This is not the time to enter into a discussion of details. In addition to increasing the duties upon lines against the foreigner, and allowing the present imposts to continue against the mother country, we have a large free list upon which we can operate. I think it will be found that we can allow a considerable portion of that free list to remain in force in the case of the mother country and British possessions, whilst we can impose a small duty against the foreigner. I have heard it stated that a great quantity of the goods which we obtain from foreign countries cannot be imported from Great Britain. That statement is applicable only to a very limited extent indeed. That applies to only a very limited extent, because a few years ago we imported nearly the whole of our goods, with the exception of tea and a few other lines, from Great Britain. Now, however, the best teas we get come from India and Ceylon, and there are vast tea plantations within the British dominions. There is nothing which Great Britain supplied some years ago that she could not, under favorable conditions, supply now, while she could also supply a great deal that she was unable to supply then. I have not the slightest doubt that, with a judicious arrangement of the Tariff, we could give very substantial preference to British goods, quite consistently with the policy of protection, and without in any way injuring Australian manufactures. The Prime Minister admitted that great benefit would probably accrue to Australia from the scheme. That surely is an aspect of the case which should not be overlooked by us. Whilst I should be the last to advocate a one-sided bargain with Great Britain, I say that we should do the best we can, consistently with what is fair, just, and reasonable to the Empire, for the interests of our own producers. It seems to me that it is very humiliating that Great Britain, if she should unfortunately be involved in hostilities with any of the other great nations of the world, should be dependent for the greater portion of her food supplies on foreign countries.

Mr. DEAKIN.—Even to buying those supplies.

Mr. McLEAN.—Yes. If those supplies were stopped, if those countries refused to supply Great Britain, or importation were impossible to her, she would be brought to extremities in a few months.

Mr. KELLY.—Is not this a stronger argument for increasing the contribution to the fleet?

Mr. McLEAN.—I am with my honorable friend in that matter, though that is not the aspect of the question with which I am now dealing. It would be greatly to the advantage of every portion of the Empire if we could obtain from within all the food supplies necessary for it. It is true that these supplies would, as the Prime Minister has pointed out, have in any case to be transported across the water in time of war. But surely it would be very much easier to arrange beforehand to protect our mercantile fleet whilst engaged in the transport of produce from outlying portions of the Empire, than to get food supplies from foreign countries, which might not be in sympathy with us in regard to the quarrel in which we were engaged. I would remind honorable members that the stupendous struggle which is now going on in the East must awaken the people of Australia to the fact that we have during all these years been living in a fool's paradise in assuming that our great distance from the military powers of the earth gave us a practical immunity from foreign invasion. Now we know that some of the great military powers of the earth are situated within a very short distance of our shores. Japan, during the struggle that is now going on with Russia, has astonished the whole world. Then China, that great sleeping giant, lies at our doors, and there is not the slightest doubt but that the example of Japan must have considerable influence upon her people. If they should follow her example, and adopt the methods of modern civilization, we should have hundreds of millions of possible foes within a short distance of our shores. That brings me to the point in regard to which the honorable member for Wentworth interjected, the necessity for contributing to the British Navy, or, at any rate, proves to me the need for consolidating and strengthening the Empire by every means in our power. I know that the present ties of sympathy are exceedingly strong. I feel that if Great Britain were involved in any serious war in which our assistance were necessary, every

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outlying portion of the Empire would help her, to its last man, and its last shilling. But that is not an argument in favour of refraining from strengthening the bonds which bind us to Great Britain by ties of sentiment. If we can strengthen these bonds by the ties of mutual self-interest, it is surely worth our while to do so, and if at the same time we can develop the resources of outlying portions of the British Empire, that will surely be in the interest of the Empire at large. I am pleased that we have adopted the policy of a white Australia; but that involves other obligations. It involves the obligation of increasing our white population by every possible means, and, therefore, of attracting immigrants to our shores. This can be done only by the development of our resources. If we think that we can for all time selfishly hold this enormous Continent with a handful of population, we are making a very serious mistake. I am perfectly sure that in the hands of the Asiatics, Northern Australia would become one of the greatest cotton-producing countries, and one of the largest sugar and tea producing countries under the sun. The same result can, I believe, be attained by white labour; but population is necessary to any material development. We cannot develop our resources with a small fringe of population round the coast line. I sincerely hope, therefore, that as all other parts of the Empire are joining to show their sympathy with Mr. Chamberlain—the greatest of living statesmen—in his attempt to consolidate it, as we find Canada, New Zealand, South Africa, and other places, expressing their willingness to give preference to the mother country, Australia will not be content to stand agaze, like Joshua's sun, and do nothing. I believe, with the honorable and learned member for Ballarat, that it would be quite possible for us to so modify this motion that most free-traders, as well as protectionists, could join in carrying it. I sincerely hope that, although we are now approaching the closing hours of the session, the honorable and learned member and the Prime Minister will endeavour to so modify the motion as to express our willingness to give preference to the mother country. The details can be left to be worked out afterwards. As I have already stated, that can be done by raising the Tariff in some cases, by lowering it in others, and by leaving the whole of our free list still free to the mother country, while imposing a slight duty on many of the articles contained in it against the foreigner. If we do that, I believe we shall be taking a wise and a prudent course. We shall be doing something to strengthen and consolidate the Empire, and a great deal to advance the interests of Australia.

Motion (by Mr. GLYNN) proposed—

That the debate be now adjourned.

Mr. DEAKIN (Ballarat).—Unless the motion for the adjournment of the debate is to be taken as a test question, unless those who are voting in favour of the adjournment are to be regarded as opposed to the granting of preference, and those voting against the adjournment as in favour of the granting of preference, I think that the motion should not be taken now. But it would be most unreasonable to close the debate at this hour, and I shall vote against it, as we may have no other chance of concluding the discussion.

Mr. SPEAKER.—No one rose to speak, and, therefore, I was bound either to put the question, or to see the honorable and learned member for Angas.

Mr. WATSON (Bland).—I urge upon the House that we should, if no one is prepared to speak, come to a vote on the motion. It is admitted that there is no probability of having the question threshed out this session by means of a lengthy debate.

Mr. REID.—There are some amendments to be moved.

Mr. WATSON.—I do not see that that need prevent the taking of a vote on the general principle involved. I am prepared to forego my right to speak, and I am sure that a number of others are ready to make a similar sacrifice, in order that an opportunity may be given to the House to express its opinion on the main issue. I trust that the honorable and learned member for Angas will withdraw his motion of adjournment.

Mr. GLYNN.—There is a Bill to be considered to-night.

Mr. WATSON.—That need not prevent the taking of a vote on this question.

Mr. GLYNN.—Surely the honorable member does not propose to settle a big question in this way.

Mr. WATSON.—It seems to me that if honorable members are in earnest in asking for an expression of opinion from this Parliament, they should be prepared to come to a vote to-night, if possible. Otherwise they will be preventing Parliament from giving

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expression to its opinion on the subject this session. I trust that if the motion for adjournment is not withdrawn, the honorable and learned member for Ballarat will make the motion a test of the question, so that we shall know how honorable members stand on the main issue.

Mr. Joseph Cook.—The honorable and learned member for Ballarat may declare it to be a test of the question, but other honorable members need not regard it as such.

Sir WILLIAM LYNE (Hume).—I had prepared a speech in reply to that of the Prime Minister, but I do not feel disposed to deliver it at this hour of the evening. I shall be exceedingly sorry, in view of the interest I have taken in this matter—and I have delivered one or two lectures in regard to it—if I am deprived of an opportunity to speak on it. I was under the impression that I would have that opportunity to-night, but as I have not had it, I feel that it would be unfair to do other than adjourn the debate. I have taken notes of the able speech of the Prime Minister, and I should like to have an opportunity to-morrow to reply to it.

Mr. Watson.—If there is an adjournment of the debate, I am afraid that there will be no decision on the main issue.

Sir WILLIAM LYNE.—There will be no decision on it to-night. It is absolutely absurd to regard the division on the proposed adjournment of the debate as a test. The question is too big to be dealt with by a side wind. I desire to move the amendment of which I have given notice, and to take a vote on it. I cannot, however, do that now, and I think it would be unfair to expect honorable members to deal with the subject to-night. I was led to understand by one honorable member that the Prime Minister intended to give us a further opportunity to consider the motion.

Mr. Reid.—To-morrow.

Sir WILLIAM LYNE.—That being so, I hope that the House will agree to the adjournment of the debate, unless any honorable member desires to speak to-night.

Sir John Forrest.—Why should not the honorable member speak to-night?

Sir WILLIAM LYNE.—I do not intend to do so. This is one of the most important matters that has been under consideration this session.

Sir John Forrest.—I thought the honorable member was in favour of preferential trade?

Sir WILLIAM LYNE.—I am, but I desire to have an opportunity to express my views before we go to a division. It is just as well that we should have an opportunity to reply to statements that have been made by the opponents of the principle.

Sir John Forrest.—There is a fair number of honorable members present.

Sir WILLIAM LYNE.—I believe that the right honorable member is leaving for Perth to-morrow, and it is immaterial to him what happens after he has taken his departure. I should like to know, without losing my right to speak, whether the Prime Minister will agree to the adjournment of the debate.

Mr. Glynn.—I should not object to allow the honorable member for Hume to move the adjournment of the debate.

Sir WILLIAM LYNE.—I shall do so if the honorable and learned member will withdraw his motion.

Mr. REID (East Sydney—Minister of External Affairs).—When the motion for the adjournment of the debate was moved, I was engaged outside the Chamber in dealing with the Sea-Carriage of Goods Bill, which is to be further considered this evening. The motion was not moved after any consultation with me, but was submitted, I understand, to save the question being put. I sympathize with the position of the honorable and learned member for Ballarat when, notwithstanding the great importance of this question, and the fact that notice was given of our intention to deal with it to-day, no honorable member is prepared at this early hour in the evening to continue the debate. On the other hand, I also sympathize with the position of the honorable and learned member for Angas, who rather than allow the debate to lapse, moved the adjournment. What I would suggest is that if any other honorable member is prepared to speak to-night, my honorable and learned friend should withdraw the motion. If it be negatived, he will, of course, lose his right to speak.

Mr. Glynn.—Not altogether.

Mr. Joseph Cook.—Why should not the leader of the Opposition speak to-night?

Mr. Watson.—My views are well known, and there is no occasion for me to speak. Let us take a vote.

Mr. REID.—The right honorable member for Swan will be leaving for Perth to-morrow, and I am sure we all are anxious to hear his views. He may perhaps be willing to speak to-night.

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Sir JOHN FORREST.—I may.

Mr. REID.—It would certainly be unsatisfactory to test the question on the motion for the adjournment of the debate. It would not convey to the authorities any conception of the true position, but would bring down the consideration of a great subject to a position in which no one would desire to see it placed.

Sir JOHN FORREST.—What is the objection to our going to a division now?

Mr. REID.—I think it is absolutely unreasonable to suggest that we should. I have never had an opportunity to get work dealt with in this rapid way. The honorable and learned member for Ballarat would be more fortunate than the Government have been if he secured the taking of a division at this stage; but we cannot compel honorable members to forego their right to speak.

Mr. HUME COOK.—The right honorable gentleman should persuade the honorable member for Hume to forego his desire to speak.

Mr. REID.—No; the honorable member has given notice of an amendment, and wishes to submit reasons for it. It is obvious that a majority of honorable members wish the debate to be adjourned, but I do not desire that course to be adopted if any one is prepared to speak to-night.

Mr. AUSTIN CHAPMAN.—We wish to proceed to a division.

Mr. REID.—I shall not offer any objection to a division being taken if a majority of honorable members are ready for the question, but I am quite sure that the sense of the House is that the matter should not now be decided. We must be guided by the feelings of honorable members.

Sir JOHN FORREST.—I think there is a majority against the adjournment of the debate.

Sir WILLIAM LYNE.—It would be very unfair to oppose the adjournment. A great many honorable members have left for their homes.

Mr. McCOLL.—Honorable members have no right to leave before the House adjourns.

Sir WILLIAM LYNE.—The honorable member is not here very often.

Mr. SPEAKER.—Order! I cannot allow these interchanges across the Chamber. The question is whether the debate be adjourned, and if the Prime Minister has finished his speech, I shall put the question.

Mr. REID.—Before we take that extreme course, I desire to arrive at some satisfactory arrangement. I wish this matter to be debated as fully as possible.

Mr. BROWN.—It is too momentous a matter to be at once decided.

Mr. McCOLL.—Can it be dealt with in the time at our disposal in the remainder of the session?

Mr. REID.—Even if it could not, I do not think that would be a reason for coming to a division to-night when a number of honorable members still wish to speak.

Mr. McCOLL.—The Prime Minister will not be able later on to keep a House.

Mr. REID.—I propose to devote the whole of to-morrow's sitting to the consideration of this question. It is too great a subject to form a ground for bickering, but unless some one is prepared to proceed, I must support the motion for the adjournment of the debate. If any one is prepared to speak to-night, I am sure the honorable and learned member for Angas will withdraw his motion.

Mr. GLYNN.—Hear, hear. I do not think I have ever asked for the adjournment of a debate before.

Mr. REID.—It is customary to adjourn at 10.30 p.m. on Tuesdays, and if the debate be now adjourned the remainder of the evening can be occupied with the consideration of the Sea Carriage of Goods Bill.

Mr. ISAACS.—If the debate be adjourned, will it probably be concluded to-morrow?

Mr. REID.—I shall place no obstacle in the way. I shall, as I have said, allow the whole of to-morrow's sitting to be devoted to the consideration of this question, and as honorable members are aware, we shall meet at 10.30 a.m.

Sir WILLIAM LYNE.—That is very fair.

Mr. REID.—I am anxious to study the general wishes of the House. This is not a matter affecting the Government.

Mr. AUSTIN CHAPMAN (Eden-Monaro).—I do not think there is a general disposition on the part of the House to agree to the adjournment of the debate; on the contrary, I believe, there is a desire that we should proceed to a division on the general question. I should certainly prefer to vote against the motion for the adjournment, although I do not wish to be discourteous to the honorable and learned member for Angas.

Mr. GLYNN.—I do not ask for a personal favour.

Mr. AUSTIN CHAPMAN.—I am aware of that, but I desire the honorable member

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to understand that I do not wish to treat him discourteously. We also know that the honorable member for Hume is prepared to make an interesting speech on this question, and we should certainly be glad to hear it. If I could be assured that we should be in as good a position to-morrow to deal finally with this question as we are to-night, I should not object to the adjournment of the debate. The question has been before the House for a long time. It is very easy for the honorable member for Canobolas and others to offer opposition, and to say that this is too big a question to at once deal with. As a matter of fact, it could be dawdled with and hung up so long that now that we have an opportunity to obtain an expression of opinion on the part of the House with regard to it, I agree with the honorable member for Bland that we should endeavour to avail ourselves of it—that we should seek to ascertain the will of the House either on the motion for the adjournment of the debate or on the general question. The world is waiting to hear the verdict of the Parliament, and why should we defer our decision for another five or six months simply because time will not permit a few honorable members to make speeches? Many honorable members would certainly like to speak, but after the leaders of the different parties and the honorable member for Hume have expressed their views, I think that we ought to be prepared to go to a division. It is said that if the debate be adjourned we shall be able to deal with the motion to-morrow. We know, however, that the morrow often brings many surprises, and if the debate is to be adjourned, I hope the Prime Minister will give us an assurance that we shall be able to test the question in the way that the leader of the Opposition asks. It is all very well for the Prime Minister to say that the people at Home will not understand the position if we test the question on the motion for the adjournment. I am satisfied that they will. The proposal is a very simple one——

Mr. REID.—But it is a very important question.

Mr. AUSTIN CHAPMAN.—We recognise that it is, and we are anxious that it should be settled. The matter has been before us so long that we all have made up our minds upon it. We know how we are going to vote, and I fail to see why we should not come to a decision without further delay. I do not wish, of course, to see a surprise vote taken, nor do I desire to be discourteous to the honorable member for Hume, or any one else who is anxious to speak to the motion. We know that the honorable member for Hume has carefully studied the question, and that he has delivered one or two lectures which have been distributed in pamphlet form, and widely read; but the whole question is of such vast importance that I think it wise that we should come to some determination upon it as soon as possible.

Mr. JOSEPH COOK (Parramatta).—I was surprised to hear the honorable member who has just resumed his seat talking about the way in which this question had been "dawdled with and hung up." His leader can scarcely regard such an accusation on the part of a former colleague as being at all complimentary.

Mr. AUSTIN CHAPMAN.—The honorable member and others have been dawdling over other business. I did not intend to cast any reflection on the honorable and learned member for Ballarat.

Mr. JOSEPH COOK.—I wonder whether the consideration of the question has been hung up with a desire to put off the division until the close of the session?

Mr. AUSTIN CHAPMAN.—The honorable member will have to face a division.

Mr. JOSEPH COOK.—We do not object to face it, but we certainly are not here to respond to the crack of the honorable member's whip, or of that of the honorable and learned member for Ballarat. I was very much surprised to hear the honorable and learned member suggest so petulantly that this great Imperial question should be decided on the motion for the adjournment of the debate. I altogether object to such a proposal. That there should be a desire to see a question of this kind, involving the whole relations of the Empire, pressed to a division after such a brief discussion as has taken place, is most remarkable. We have had three speeches upon this great and momentous question of Empire.

Mr. WATSON.—Will the speeches alter the result?

Mr. JOSEPH COOK.—Do any speeches alter the voting in this House? Why does the honorable member make so many speeches if no good results from them?

Mr. WATSON.—Speeches sometimes alter the voting in Committee, but they will not alter the voting in regard to a great question of this kind.

Mr. JOSEPH COOK.—I venture to say that an honorable member occupying such a position as that which the leader of the

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Opposition fills should be the very last to expect this question to go to a division until, as the representative of a great party, he has made a speech upon it, and has formulated his opinions very definitely.

Mr. AUSTIN CHAPMAN.—His opinions are well known, and have been widely published.

Mr. JOSEPH COOK.—Yet there have been some mysterious changes in them.

Mr. WATSON.—No.

Mr. JOSEPH COOK.—I shall say then that there have been changes, not of opinion, but of attitude, on the part of the honorable member.

Mr. WATSON.—There has not even been a change of attitude on my part.

Mr. JOSEPH COOK.—When the honorable member was in a position of responsibility, as the leader of the late Government, he said, in the course of a speech delivered at Wagga, in August last, that this was a matter entirely for Great Britain.

Mr. WATSON.—I said more than that; I strongly advocated the principle, and I still do so.

Mr. JOSEPH COOK.—The honorable member said that we need not trouble about the question here—that it was not urgent at that time.

Mr. WATSON.—That is not correct.

Mr. JOSEPH COOK.—We shall find out to-morrow what the honorable member did say. My recollection is that he stated that there was no necessity for us to do anything; that Great Britain should make the first move. Now he desires to force the hands of Great Britain. That represents an entire change of attitude. As was said facetiously on a former occasion, the honorable membear has travelled side by side with the question, until now he has come face to face with it.

Mr. WATSON.—I am prepared to face the question, whilst the honorable member is endeavouring to talk it out.

Mr. JOSEPH COOK.—I think the request for an adjournment of the debate is a reasonable one. The honorable member for Hume has already delivered two or three important lectures on the subject, and I understand he has another one with which he desires to favour honorable members. The least we can do is to afford him an opportunity to enlighten us upon a question in which he has taken so keen an interest. I understand also that the honorable and learned member for Angas has given a great deal of attention to this question, particularly to the practical application of the proposals to the trade of the Empire. We have not yet begun to discuss this question in a practical way, and I trust that we shall hear some speeches tomorrow which will bring us down to bedrock. Moreover, it is customary to adjourn early on Tuesday night, and as the Government desire to dispose of the Sea Carriage of Goods Bill, I think that we may profitably devote the rest of the sitting to the discussion of that measure.

Question—That the debate be now adjourned—put. The House divided.

Ayes	27
Noes	15
Majority	12

AYES.

Brown, T.	McDonald, C.
Cook, J.	O'Malley, K.
Edwards, R.	Poynton, A.
Fisher, A.	Reid, G. H.
Fuller, G. W.	Robinson, A.
Glynn, P. McM.	Smith, B.
Hutchison, J.	Smith, S.
Kelly, W. H.	Thomson, D.
Lee, H. W.	Thomson, D. A.
Liddell, F.	Webster, W.
Lonsdale, E.	Wilson, J. G.
Lyne, Sir W. J.	*Tellers:*
Mahon, H.	Tudor, F. G.
Maloney, W. R. N.	Wilks, W. H.

NOES.

Chapman, A.	McCay, J. W.
Deakin, A.	McLean, A.
Forrest, Sir J.	Phillips, P.
Frazer, C. E.	Salmon, C. C.
Gibb, J.	Watson, J. C.
Higgins, H. B.	*Tellers:*
Isaacs, I. A.	Cook, J. N. H. H.
Knox, W.	McColl, J. H.

Question so resolved in the affirmative.
Motion agreed to; debate adjourned.

SEA-CARRIAGE OF GOODS BILL.

Motion (by Mr. REID) agreed to—

That the Bill be recommitted for the reconsideration of clauses 4 and 6A.

In Committee (Recommittal):

Clause 4 (Certain clauses prohibited in bills of lading).

Mr. REID (East Sydney—Minister of External Affairs).—I move—

That the word "and" be inserted after the word "diligence" in paragraph (*b*).

I am proposing this amendment at the suggestion of the honorable and learned member for Indi, who has pointed out that it is important that the word "and" should be inserted, in order to connect the original

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clause with the amendment adopted at an earlier stage.

Amendment agreed to.

Mr. HUTCHISON (Hindmarsh).—I desire to have an assurance from the Prime Minister that the amendment will not go further than is now provided under the common law.

Mr. REID.—That is all that is to be done, so far as this clause is concerned.

Clause, as amended, agreed to.

Clause 6A—

(1) In every bill of lading, with respect to goods, a warranty shall be implied that the ship shall be, at the beginning of the voyage, seaworthy, in all respects and properly manned, equipped, and supplied.

(2) In every bill of lading, with respect to goods, unless the contrary intention appears, a clause shall be implied whereby, if the ship is at the beginning of the voyage seaworthy in all respects and properly manned, equipped, and supplied, neither the ship nor her owner, agent, or charterer shall be responsible to the owner of the goods for damage to or loss of the goods resulting from—

(*a*) faults or errors in navigation or management of the ship for purposes of navigation, or
(*b*) perils of the sea or navigable waters, or
(*c*) acts of God or the King's enemies, or
(*d*) the inherent defect, quality, or vice of the goods, or
(*e*) the insufficiency of package of the goods, or
(*f*) the seizure of the goods under legal process, or
(*g*) any act of omission of the shipper or owner of the goods, his agent or representative, or
(*h*) saving or attempting to save life or property at sea, or
(*i*) any deviation in saving or attempting to save life or property at sea.

Mr. REID.—I move—

That the words "to the owner of the goods," lines 12 and 13, be omitted.

A question might arise upon the word "owner," and it is desirable to avoid all unnecessary complications. The words "to the owner of the goods," are immaterial, and may with advantage be omitted, as their inclusion may give rise to controversy.

Amendment agreed to.

Mr. REID.—Since this Bill was previously under consideration, I have had the advantage of a consultation with the Attorney-General in regard to the use of the words "or management of a ship for purposes of navigation," which are contained in paragraph *a* of sub-clause 2, and he has advised that they should be eliminated.

Mr. HUTCHISON.—That is a dangerous proposal; it seems to cut right into the heart of the Bill.

Mr. REID.—No. At the request of the ship-owners, we are merely stating the law. We are not making any alterations in it. The words "faults or errors of navigation," are those employed in the Harter Act. I promised the Committee that I would include in the Bill the provisions contained in that Statute, and therefore I propose to retain them.

Mr. BRUCE SMITH.—But the Prime Minister proposes to embody only a portion of that Act in this Bill.

Mr. REID.—I am already pledged to insert in the Bill some provisions upon the lines of the Harter Act. I would point out to honorable members that the ordinary insurance policy of a shipper will cover "faults or errors of navigation." In suggesting the omission of the words "or management of the ship for purposes of navigation," I wish the Committee to understand that the clause will then appear to extend the common law conditions in favour of the ship-owners.

Mr. KNOX (Kooyong).—I take no exception to the omission of the words "or management of the ship for purposes of navigation." In the new clause which I had intended to move, those words did not appear. To my mind their inclusion would introduce into the Bill an unnecessary element of complication.

Mr. HUTCHISON (Hindmarsh).—I am entirely opposed to the suggestion of the Prime Minister, which appears to me to cut right into the heart of the Bill. The right honorable gentleman has informed us that shippers can insure against any loss which they may sustain by reason of errors in navigation or in the management of a ship. I admit that such errors would be committed by the master of a vessel, or by his officers, very rarely. But if we adopt the suggestion of the Prime Minister every shipper will have to insure his goods against such contingencies.

Mr. REID.—That is always done. His ordinary insurance policy would cover these risks.

Mr. HUTCHISON.—I anticipated that in this Bill we should obviate the necessity for shippers to systematically insure their consignments. If the ship-owner is responsible for the produce which he carries——

Mr. BRUCE SMITH.—Does the honorable member suggest that the ship-owners should be held responsible in every case?

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Mr. HUTCHISON.—Yes. Why not? The ordinary carrier upon land is responsible in every case. It seems to me that if the Bill be passed in the form suggested by the Prime Minister, the shippers will receive very little protection.

Mr. BRUCE SMITH (Parkes).—I think that the honorable member for Hindmarsh quite misapprehends the purpose of this Bill. I would point out to him that it is merely intended to cancel the qualifications which have been attached to bills of lading, and which are contrary to the common law. In this measure we are copying a United States Statute. We have extracted from it the most salient provisions which tell against the ship-owners, and now the Prime Minister, in response to a request by them, affirms that the third section of the Harter Act, with some modifications, should also be incorporated in the Bill as a set-off against those provisions. I have no doubt that the words "management of a ship" were added to "navigation" in order to cover acts on the part of those in charge of a ship, which might not be covered by the latter term. For instance, it cannot be contended that an error made in transmitting a message to the engine-room would come under the head of "navigation." I suppose there are half-a-dozen other acts which would come within the scope of the two phrases combined, but which could not be brought under the first phrase. Inasmuch as the Parliament of the United States is of opinion that the two phrases ought to be used to do justice to the situation, I do not think that we should, without very good reason, separate "navigation" from the "management of a ship" upon the supposition that the terms are synonymous. If they are synonymous, no harm can result from their retention in the Bill. I hope that the Committee will not go back upon the third paragraph of the clause, which tells to some extent in favour of the ship-owners.

Mr. ISAACS (Indi).—In this clause it will be observed that the words "bill of lading" are employed. In clause 4 the words used are "bill of lading or document." A distinction is thus created between the two provisions. I would therefore suggest that after the words "bill of lading" in the first sub-clause of this provision, the words "or document" be inserted. The implied warranty of seaworthiness applies to a bill of lading, or to any other form of contract.

Mr. REID.—I think that it would be wise to make the language uniform.

Mr. ISAACS.—Then the same language might be repeated in the next sub-clause. I would further direct attention to the fact that the word "master" does not appear in sub-clause 2 in connexion with the terms "owner, agent, or charterer." I would point out that the master may have a personal liability, and in the Harter Act that fact is recognised, because he is freed by name from such liability. I think that it is necessary to exempt him from liability as well as the owner, agent, or charterer.

Mr. REID.—With the concurrence of honorable members, I should like to move—

That after the word "lading," line 1, the words "or document" be inserted.

The CHAIRMAN.—I would point out to the Committee that the Prime Minister desires to move an amendment in the clause prior to the amendment which has already been made. That practice is opposed to our Standing Orders, and can be followed only with concurrence. Is it the pleasure of the Committee that the Prime Minister be granted leave to submit his amendment?

HONORABLE MEMBERS.—Hear, hear.

Amendment agreed to.

Amendments (by Mr. REID) agreed to—

That after the word "lading," line 6, the words "or document" be inserted.

That after the word "owner," line 11, the word "master" be inserted.

Amendment (by Mr. REID) proposed—

That after the word "navigation," line 15, the words "or management of the ship for purposes of navigation" be left out.

Mr. BRUCE SMITH (Parkes).—Will the Prime Minister state whether he has any reason for distinguishing between navigation and the management of a ship? I think it is quite possible that faults or errors might occur in that management which might not come under the head of faults or errors of navigation, and if there is no distinction drawn in the third section of the Harter Act between faults of navigation and faults of the management of the ship, I do not see why we should draw a distinction here, unless the Prime Minister has some good reason for omitting the words. For instance, an error might occur in the giving of an order.

Mr. REID.—Every one on board a ship is engaged in the task of navigation—captain, engineer, and every one else.

Mr. BRUCE SMITH.—Can the right honorable member say that everything which comes under the management of a ship comes also under navigation?

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Mr. REID.—It has been held by the Courts in England that the word "management" in the Harter Act included the management of the refrigerating chamber, and the owners were therefore not held liable for negligence in that respect.

Mr. BRUCE SMITH.—But early in the evening the right honorable member inserted these words.

Mr. REID.—Yes; but I am now acting under the advice of the Attorney-General, who thinks that if they were inserted it would lead to further trouble.

Mr. HIGGINS (Northern Melbourne).—I think that the clause goes too far in exempting the owner from liability for faults in navigation. I think that that goes beyond the English law, and has created in the Harter Act an exemption which should not have been made. I agree with the Prime Minister, however, that we should not include in the exemptions a fault in the management of the ship. The honorable and learned member for Parkes will remember that that was the case to which the Prime Minister referred earlier in the evening.

Mr. BRUCE SMITH.—Yes, but he then proposed to get over the difficulty by adding the words which he now wishes to leave out.

Amendment agreed to.

Clause, as amended, agreed to.

Bill reported with further amendments; report adopted.

Bill read a third time.

ADJOURNMENT.

RIVERINA AND MELBOURNE ELECTIONS: PUBLIC SERVANTS' INCREMENTS: ADMINISTRATION OF JUSTICE IN BRITISH NEW GUINEA.

Motion (by Mr. REID) proposed—

That the House do now adjourn.

Mr. WATSON (Bland).—I should like the Prime Minister to consider a matter which has been debated in this House on several occasions, and in regard to which I think there is a general consensus of opinion. Both he and the Treasurer have expressed sympathy with the suggestion that consideration should be shown to the honorable members for Riverina and Melbourne, who have been made to suffer financial loss, not through any fault of their own, but through the fault of the Government electoral machinery. I was hopeful that a concrete proposal would have been put before us this session as an item in the Supplementary Estimates, but as no such Estimates are to be brought down, I ask the Government to consider the propriety of giving these gentlemen consideration. So far as I have been able to ascertain, there is no objection to such a course being taken.

Mr. ISAACS (Indi).—I support the views expressed by the leader of the Opposition. Although I do not think that it is desirable that these cases should be regarded as a precedent for paying honorable members' expenses, I would point out that in each instance loss was occasioned to the candidate through no fault of his own. Each election was fought fairly and properly, and the result was attributable to an error on the part of the representative of the Commonwealth. Therefore, it is reasonable, as a matter of plain justice, that reimbursement should be made to them of the expense caused by what I may term a public accident. since, although there was a mistake, no fault was attributable to any officer. The application is a reasonable one, and I hope that it will receive the sympathy of the Prime Minister.

Mr. JOSEPH COOK (Parramatta).—During a pretty long experience of parliamentary life, I have seen many cases like this dealt with generously by Governments. In this case I understand that the Government are asked to pay out of the Treasurer's advance account, or in some other way, an amount which will reimburse the gentlemen to whom reference has been made expenditure which was thrust upon them because of errors committed by public servants of the Commonwealth. As we have just been dealing with a Bill imposing responsibilities on ship-owners for negligence on the part of their servants, I think that the Commonwealth should set an example by becoming responsible for the errors committed by its servants.

Sir WILLIAM LYNE (Hume).—I would remind the Prime Minister that what he has been asked to do has been done in New South Wales in at least two cases that I remember, when mistakes were made by Government officers in connexion with elections at Woollongong and Monaro.

Mr. WATSON.—At Rylstone, too.

Sir WILLIAM LYNE.—Yes; but I remember the other two because the money was voted on my Estimates to recoup the members the expense to which they had been put. Where an election is upset through the fault of the officers of the Government, it is reasonable that the candidate's expenses

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shall be paid, especially when, as in this case, they are also put to the trouble of appealing to the newly-constituted Court of Disputed Returns.

Mr. BROWN (Canobolas).—I would bring under the consideration of the Prime Minister the advisability of paying increments due to officers in receipt of less than £160 per annum.

Mr. REID.—We are paying them.

Mr. BROWN.—I have been told that, whilst the officers of the clerical division have been paid, those of the general division have not yet received their money. I should like to know that the payment will be expedited.

Mr. BAMFORD (Herbert).—I wish to draw the attention of the Prime Minister to a matter connected with the Administration of New Guinea. Charges of the most serious nature, reflecting upon the past Administration of the Territory, connected with which are the names of various persons in high positions, and that of a firm in a very large way of business—Messrs. Burns, Philp, and Company—have been circulated in the lobbies of the House for some time past.

Mr. REID.—Why should Messrs. Burns, Philp, and Company be the only names mentioned?

Mr. BAMFORD.—Mr. J. R. Craig is the man by whom the charges are made. I dare say that the Prime Minister has had communications from him on the subject. He complains that for five years he has been unable to obtain justice, that he was charged with the most serious crimes, culminating in a charge of murder.

Mr. McDONALD.—There were two charges of murder.

Mr. BAMFORD.—He is said to have had a sort of trial before a tribunal in New Guinea, but it is a very significant fact that the whole of the documents in connexion with the trial are now missing. They cannot be found in the records of the Territory, and Mr. Craig cannot get satisfaction. When a man has taken the trouble to agitate in a matter of this kind for a number of years, and waits upon this Parliament for three or four months, asking for an inquiry, something should be done. He is willing that the charges should be investigated, so that if he is in fault he may receive adequate punishment. If he is not in fault it is reasonable that he should desire that the charges against him be disproved. It has been suggested that Judge Murray, the permanent head of the Department, Mr. Atlee Hunt, and some other person, should be appointed as a Committee to investigate the whole matter. We do not ask for the appointment of a Commission, or for an investigation that would involve the Government in any serious expenditure, but I appeal to the Prime Minister to cause an inquiry to be made. I am not interested in this man, but I think that justice should be meted out to him. He is not a personal friend of my own, but has interviewed me, in common with other honorable members in the House, and has shown his *bona fides* by spending a good deal of time and money in coming to Melbourne and asking for an inquiry, so that his character may be cleared. I hope that the Prime Minister will give the House an assurance that such an inquiry will be made.

Mr. WILSON (Corangamite).—I would remind the Prime Minister that the matter mentioned by the honorable member for Bland is one which affects not only honorable members who are likely to seek re-election, but prospective candidates. If intending candidates felt that they were likely to be mulcted in heavy expenses as the result of an error on the part of the Electoral Department, they might be warned off. I certainly think that the Electoral Department should bear its own sins, and I trust that the Government will make some reasonable provision to defray the expenses of honorable members, as well as those outside the House, who have suffered loss through the fault of the Department.

Mr. McDONALD (Kennedy).—I also desire to impress upon the Prime Minister the importance of an inquiry being made concerning the case of which the honorable member for Herbert has spoken. The man has had certain charges hanging over his head for five years, and he maintains that he cannot obtain justice. His opponents make many allegations against him, and it is only reasonable that he should have an opportunity to clear himself of these charges. Two charges of murder have been levelled against him, and he has been tried——

Mr. WILSON.—Has he ever been hanged?

Mr. McDONALD.—This is not a laughing matter. If an honorable member were in such a position as this man is in, he would certainly be anxious to have the matter cleared up. Two charges have been made against the man, and they have been partly tried; but the depositions taken, it is said, are not now in the Territory. He has

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not even been legally acquitted, in the ordinary way, of these charges. He has also been charged with appropriating an official seal to enable him to issue fraudulent papers. He was taken out of his bed about nine o'clock one night, and escorted to an hotel in British New Guinea, where he was brought before certain justices, and tried on this charge. Depositions were taken, but in this, as in the other case, they cannot be found. The Commonwealth Government, at all events, is not in possession of them. I never saw the man except on the two or three occasions when he visited the House, and I knew nothing of him until recently. He is certainly making very serious charges, and some inquiry should be held. It will not be to the credit of the Parliament if justice be not meted out to him. As to the matter mentioned by the leader of the Opposition, I am at one with those who have urged that the honorable members in question should be reimbursed the expenses to which they were put as the result of the neglect of the Electoral Department. If something be not done, no honorable member will be safe. The experience of the honorable members for Melbourne and Riverina may be that of any other honorable member at some other time. If the expense to which they were put in the matter of the electoral petitions had been due to any fault on their own part, I could have understood the failure of the Government to take action; but in the circumstances it is only reasonable and just that the Commonwealth should reimburse them.

Mr. RONALD (Southern Melbourne).—The two matters which have been brought before the House on the motion for the adjournment are very pressing and urgent. I have memoranda of the charges which have been brought against Mr. Craig, from which it appears that the most irregular methods have been adopted in connexion with what have passed for trials. The most serious charges which could be levelled against any man have been made against this individual. Beyond the shadow of a doubt, if what he alleges be true, he has suffered perhaps the greatest injustice under which a man could labour. He asks nothing more than that which any man living under the British flag has a right to expect—a fair trial by a jury of his countrymen, and I hope that the Prime Minister will appoint a Committee in order that his case may be re-heard. I am sure that every honorable member will heartily indorse what has already been said as to the desirableness of re-imbursing the two honorable members of this House who have been so seriously mulcted in costs, in connexion with the last Federal election, through absolutely no fault of their own. It cannot be too emphatically asserted that the Commonwealth is responsible for the errors of its officers.

Mr. HUTCHISON.—It is bad enough to pass through an election, without an appeal to the High Court, through no fault of one's own.

Mr. RONALD.—Quite so.

Mr. WILKS.—Why not bring in a Bill to pay all our expenses?

Mr. RONALD.—This is a matter not of amending the law, but of putting it into execution. It has undoubtedly been shown that the costs to which these honorable members were put were due not to any error on their part, but to an error on the part of the officers of the Government. I therefore hope that we shall have from the Prime Minister an emphatic affirmative reply to the request which has been made, as well as a statement as to Mr. Craig. Unless the inquiry which this man is seeking be granted, he must live for ever under the charge of being a murderer who has escaped justice. I appeal to the Prime Minister to see that an impartial and fair-minded tribunal, which apparently at present does not exist in British New Guinea, is appointed to deal with his case.

Mr. AUSTIN CHAPMAN (Eden-Monaro).—I am rather surprised to learn that it is again necessary to ask the Government any question regarding the payment of the expenses of two honorable members, to which reference has been made. I understood that the Prime Minister had made a promise to deal with the matter.

Mr. WATSON.—The question that I asked to-night was whether anything would be done this session.

Mr. AUSTIN CHAPMAN.—I should like to indorse what has been said. Unlike the honorable member for Dalley, I do not think it is a question of bringing in an amending Bill; the only point involved is that of doing an act of common justice. There seems to be a general opinion on the part of honorable members, which I am sure will be indorsed by the country, that those who suffer from the mistakes made by officers of the Electoral Department should be reimbursed their expenses, and I am sure

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that the Prime Minister will recognise the justice of the contention. There are many precedents, for the same course has been followed by several of the States Legislatures. The experience of the two honorable members in question may be the experience of others, and I hope that the Prime Minister, viewing the matter from a fair stand-point, will see that they are fairly reimbursed. I wish to bring under the notice of the Postmaster-General another matter which bears on the question of cutting down trees that obstruct telegraph lines—a matter which was discussed a week or two ago. In the town of Candelo, in my electorate, there is a small park which has been planted with trees, and I learn that officers of the Department have lopped off the branches of some of these trees in order to clear the telegraph line in the main street. This is not an isolated case. Many honorable members have indorsed the view which I expressed on a previous occasion that the number of parks in Australia is far too limited, and that the Department should not be allowed to destroy trees in this way.

Mr. RONALD.—It is vandalism.

Mr. AUSTIN CHAPMAN. — It certainly is. I have here an extract from the *Candelo Guardian* showing that a gang of men was sent to the town, and was delayed there several days pending instructions from the Department. It is stated by this newspaper that the men would have had plenty of time to remove the telegraph poles in the street in question, in accordance with the desire of the local Progress Association; but that they did not do so. The people, becoming alarmed at the proposals of the Department, offered to subscribe £7 10s. towards the total cost of £12 or £13 of removing the line, rather than that the park should be disfigured in the way proposed. That offer was telegraphed to the Department, and the Minister promised to give attention to the matter. The complaint from the district had been in the hands of the Chief Electrician for about ten days; but notwithstanding that fact, and regardless of the Ministerial promise, I learn that the men disfigured the trees in the park by cutting off them large branches which were the growth of years. I wish to know why this was done. I am satisfied that it is the fault, not of the Minister, but of the system of red tape which prevails. Ten days before the lopping of these trees, a telegram was sent to the Department by the local Association, offering to contribute to the cost of removing the telegraph poles, and yet the Chief Electrician ordered the work to be done, asserting that he had no knowledge of what the local Association had done in the matter. Such a state of affairs is scandalous. It is bad enough for country districts to suffer from droughts, without having their park lands destroyed by Government officials. I intend to satisfy myself as to who is responsible for keeping the men waiting about whilst they were in readiness to remove the poles. The Chief Electrician said that he had no official knowledge that the people of Candelo had made any complaint, or that they had offered to pay part of the cost of removing the poles. I have complained about this matter on two or three occasions, but the officials have taken no notice of my representations. It is time that we impressed on the officials of the Department that they do not own the country, and that if they are not prepared to exercise a little common sense they will have to make way for others who will. I trust that the Minister will cause an inquiry to be made, and that the responsibility will be sheeted home to those who have been guilty of the vandalism complained of.

Mr. FISHER (Wide Bay). — The case of Mr. Craig has been brought forward on more than one occasion in this Chamber and in another place, and I think that in the interests of the Commonwealth and of British New Guinea an inquiry should be made into the charges which Mr. Craig has preferred. He has cast serious reflections upon Government officials in New Guinea, and it is undoubtedly time that a decision was arrived at one way or the other. Mr. Craig is a very intelligent man, and I believe that he is thoroughly honest. His persistent efforts to clear his character from the aspersions cast upon him certainly set his conduct in a favorable light. If he has been wronged, justice should be done, and if he has been preferring false charges he should be punished.

Sir JOHN FORREST (Swan).—I was surprised to find that it was necessary to again bring before the House the question of recouping honorable members the expenses in which they were involved owing to irregularities, for which they were in no way responsible, in connexion with their election. I understood the Prime Minister to say on a former occasion that

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he would look into the matter, and no doubt he will do so. Something should be done, and I think that we can leave to the Government the decision as to the amounts to be paid to the honorable members concerned. I hope the Prime Minister will be able to give us an assurance that full justice will be done in the matter.

Mr. McCOLL (Echuca).—I should like to support the remarks of the honorable member for Corangamite, and to say that those who have suffered should be recouped for their loss. I would also urge that, in the consideration of the payments to be made to those who were put to unnecessary expense in connexion with their elections we should not take into account the social or financial position of any of the persons affected, but that justice should be done all round. If it is not considered desirable that the Government should take the responsibility of paying money without the authority of Parliament, it is not too late for a motion on the subject to be submitted and carried before the end of the session.

Mr. REID (East Sydney—Minister of External Affairs).—In reply to the honorable member for Canobolas, I should like to say that if there has been any delay in the payment of the increments to officers in the general division, we should like to inquire into it, because authority has been given for payments all round. I should like to be furnished with particulars of any case in point. I shall bring the acts of vandalism referred to by the honorable member for Eden-Monaro under the notice of the Postmaster-General. With reference to Mr. Craig, and the charges he has made against certain officials in British New Guinea, I should like to say that the matter has been before the Department for a long time. The Secretary has investigated Mr. Craig's statements, with the result that we are not led to attach to his charges the same seriousness that some honorable members do. The Secretary of the Department will probably visit the Possession during the recess, because I think we ought to have some better knowledge than we at present possess of that Territory. The proposed visit will afford a good opportunity for making some inquiries into Mr. Craig's allegations. With reference to the matter affecting honorable members, who have been subjected to expense, owing to mistakes in the conduct of elections, I entirely sympathize with the views expressed by honorable members, but my difficulty is one of a rather serious character. If I am to be asked to grant money out of the public Treasury without the authority of Parliament, that can only be done under special circumstances. I thought I was performing an act of justice upon one occasion in New South Wales, and it cost the Government, of which I was Premier, their offices. I never complained of that, because Governments are responsible for all such acts, and if the House chooses to make any one of them a cause of offence they are entitled to do so. I feel that it is very hard upon the honorable members affected that they should be denied the reimbursement of their expenses for a long period. We have not a very strong House to-night, but if the honorable member for Bland will put a question to me to-morrow, when there will be a full attendance, I shall have an opportunity of gauging the sense of the Chamber.

Mr. FISHER.—Why not table a resolution?

Mr. REID.—I do not ask for that. If I find, to-morrow, that honorable members are agreeable that Ministers should depart from the sound rule which should apply to such matters, I think the Government may take the responsibility upon itself of dealing with these cases in anticipation of a vote, relying upon Parliament to ratify their action.

Mr. BAMFORD.—Would the right honorable gentleman be willing to make available as soon as possible Mr. Hunt's report upon Mr. Craig's case?

Mr. REID.—I cannot very well say that. That will depend upon circumstances. I may say frankly that I have no sort of appreciation of the manner in which Mr. Craig has submitted his communications to the Department. At the same time, I am reluctant to seem to deny any one a fair investigation. I do not wish to turn the whole Administration upside down, at the request of any one who has a grievance.

Mr. BAMFORD.—But the stigma should be taken off persons against whom Mr. Craig's charges are directed.

Mr. REID.—The visit of the Secretary of the Department to British New Guinea will afford an opportunity for an inquiry, without the necessity of appointing a Royal Commission.

Question resolved in the affirmative.

House adjourned at 10.55 p.m.

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Senate.

Wednesday, 14 December, 1904.

The PRESIDENT took the chair at 10.30 a.m., and read prayers.

CASE OF MAJOR CARROLL.

Senator HIGGS.—I desire to ask the Attorney-General, without notice, whether, in view of the early prorogation of Parliament, he would be good enough to ask the Minister of Defence to furnish a reply to the question I gave notice of for Thursday, in reference to Colonel Hoad's reply to Major Carroll?

Senator Sir JOSIAH SYMON.—The Minister of Defence returned yesterday afternoon, I believe, from Sydney. I have not yet had an opportunity of seeing him, but I shall see him during the day, and shall be prepared to reply to the question to-morrow.

LIFE ASSURANCE COMPANIES BILL.

Senator PEARCE.—I desire to ask the Attorney-General, without notice, whether, if it be at all possible in the remaining days of the session, he will give me an opportunity of moving the second reading of the Life Assurance Companies Bill, on which, I understand, there will not be very much debate—that is, if it can be done without jeopardizing other business on the notice-paper?

Senator Sir JOSIAH SYMON.—I should like very much to be able to give my honorable friend an assurance as to time to deal with the Bill. If it be at all possible, I shall endeavour to do so; but I am afraid that I cannot hold out much hope to him.

ORDER OF BUSINESS.

Senator STEWART.—I desire to ask the Attorney-General, without notice, whether we are to have an opportunity of dealing with the Papua (British New Guinea) Bill, the Sea-Carriage of Goods Bill, and the Kalgoorlie to Port Augusta Railway Survey Bill before the Appropriation Bill is passed?

Senator Sir JOSIAH SYMON.—I propose to get the Appropriation Bill passed first; but I intend that the Senate shall have an opportunity of dealing with these three Bills.

Senator STEWART.—Then the Government will prorogue whenever they get the Appropriation Bill, and that means that the Bills will be thrown into the waste-paper basket.

Senator Sir JOSIAH SYMON. — My honorable friend asked me a question, and I gave him an assurance of my intention to proceed with the Bills.

TOBACCO INDUSTRY: NATIONALIZATION.

Senator DOBSON.—I rise to ask the Attorney-General, without notice, whether, in view of the decision of the High Court in the brewers' licensing case, that the Commonwealth could not interfere with the internal trade of a State, it is of any use for the Select Committee on the Tobacco Industry to expend further time and money in pursuing its inquiry, and whether, if it should find in favour of nationalizing the industry, it is the intention of the Government to take steps to alter the Constitution?

Senator Sir JOSIAH SYMON.—This is a very large question which I hope my honorable and learned friend will not expect me to answer. It would require the genius of a god, almost, to answer the question off-hand.

Senator DOBSON. — I gave my honorable friend notice of it yesterday.

Senator Sir JOSIAH SYMON.—But I was here until half-past twelve o'clock last night.

LEAVE OF ABSENCE.

Motion (by Senator MCGREGOR) agreed to—

> That a fortnight's leave of absence be granted to Senator Findley, on account of ill-health.

APPROPRIATION BILL.

In Committee (Consideration resumed from 13th December, *vide* page 8306):

Second Schedule.

DEPARTMENT OF HOME AFFAIRS.

Divisions 18 to 24, £166,803.

Senator GIVENS (Queensland).—Last night the Attorney-General said he would give some information to-day with reference to the item of £550 for "Caretakers, charwomen, and miscellaneous expenditure," at Melbourne Government House. Apparently, more than one caretaker and one charwoman are employed. In this case only £550 is set down for at least four persons, while in other cases we have been voting large sums for individuals. I desire that those who

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occupy the lower positions in the Public Service should not be in any way sweated or reduced to a very small wage, on which perhaps they cannot live with any sort of decency or comfort. As honorable senators are so ready to vote very large sums to individuals for services which are very much more arduous, I desire that these persons in the lower positions should get a fair deal.

Senator DRAKE (Queensland—Vice-President of the Executive Council).—This item of £550 includes provision for an engineer mechanic and a doorkeeper, and for other persons who, I think, are only engaged occasionally. The building is not always in occupation, and when it is occupied by the Governor-General it is necessary to have some cleaning done. Last year £550 was voted for this purpose, but only £359 was expended.

Senator GIVENS (Queensland).—It appears to me that a large number of persons are getting very small pay.

Senator DRAKE.—But they are not permanently employed.

Senator GIVENS.—I understand that officers whose duties do not keep them employed all the year round are getting very large salaries indeed. I do not intend to divide the Committee on this item, because it appears that we cannot get exact particulars as to how long these caretakers and charwomen are employed. But I enter my protest against persons occupying lower positions being sweated, while we appear to be ever ready to vote inordinate sums to persons who are fulfilling no more onerous duties in the higher branches of the Public Service.

Senator STEWART (Queensland). — I notice an item of £9,000 for "conveyance of Members of Parliament and others." I wish to know how much of this sum is received by each State Railway Department.

Senator DRAKE.—The amount which is paid to the States for affording railway facilities is £6,600; and that sum is divided by the Railway Commissioners on a basis which is satisfactory to them. I cannot tell the honorable senator what proportion is paid to each State.

Senator STEWART (Queensland). — I think that, in order to insure greater accuracy, this item should be divided into two. It appears that £6,600 is paid for the conveyance of Members of Parliament by railway. I presume that the balance of £2,400 is used to defray the cost of travelling by steamers and coaches.

Senator DRAKE.—Yes.

Senator GIVENS (Queensland).—I desire to elicit some information in regard to the item of £400 for fire insurance. I hold that the Commonwealth should be its own insurer, and should not pay any fees to insurance companies. All the big companies now provide a fund, so as to be their own insurers. If Senator Drake will give me an assurance that that system is being pursued by the Commonwealth, I do not desire to say any more on the subject.

Senator DRAKE.—It is. We are under a contract to insure the Parliament House, and the Library.

Senator GIVENS.—I am quite satisfied with that information.

Senator STEWART (Queensland).—I should like to receive some information about the item of £20,000 for expenses in connexion with the administration of the Electoral Act.

Senator PULSFORD (New South Wales).—On some occasions in the past when I wanted information about various items in an Appropriation Bill, I handed over a list of the items to Senators O'Connor and Drake, and when the items were reached in due course, the information was always available. It is too much to expect the Minister to have the information at his fingers' ends when an item is reached, unless he has received prior notice.

Senator GIVENS.—But the officers are always here to give the information to the Minister.

Senator DRAKE.—In this case I can give the information which the honorable senator seeks without any delay. The amount comprises the following items:—Registration, £2,500; divisional returning officers, seventy-five, at £26 per annum, £1,950; Commonwealth electoral officers—New South Wales £250, Victoria £250, South Australia £100, Queensland £250; writing up registers, at 1s. 6d. per 100 names, £1,000; books, printing, stationery, &c., and ballot box equipment, £2,600; maps, £500; office cleaning, £100; postage and telegrams, £600; police canvass for the various States, namely, New South Wales, £900, Queensland £2,500, Tasmania £250, South Australia £800, Western Australia £2,000, Victoria £1,250; total, £7,700. It will be noticed that the amount is larger in the large States than in the smaller ones, because the expense there is greater. Clerical assistance costs £2,200. These iter

make up the total of £20,000. That, of course, is only a rough estimate.

Senator STEWART.—Are we to understand that we have to expend £20,000 every year?

Senator DRAKE.—Yes; approximately that is the amount to maintain the establishment, so that everything may be ready for a general election.

DEPARTMENT OF THE TREASURY.

Divisions 25 to 31, £267,193.

Senator GIVENS (Queensland).—In connexion with the vote of £99 for the messenger of the Audit Office, I wish to observe that in this case, as in others, we are exceedingly ready to pay high salaries, while we appear to be sweating persons in the lower grades of the service. This messenger also, according to a foot-note, acts as caretaker. So that he is practically at work day and night for £99 per annum. I understood that there was a provision in the Public Service Act to the effect that there should be a minimum wage of £110 per annum to all public officers who had reached a certain age, and had been a certain length of time in the service. Can the Vice-President of the Executive Council give us any information on the point?

Senator DRAKE.—The salary does seem to be very small, but there has been an increase of £15 since last year. The salary is not up to the minimum, but I presume that this officer, for some reason, does not come under the minimum wage section of the Public Service Act. I am informed, however, by a note which has just been handed to me that the officer will get the minimum wage this year. A small sum is asked for increments and adjustments of salaries, and the officer will be paid the balance to complete the minimum wage from that fund.

Senator GIVENS (Queensland).—So long as I have an assurance that the Government will carry out what the Vice-President of the Executive Council has stated, I shall be quite satisfied.

Senator STEWART (Queensland).—I wish to say a few words with regard to the Auditor-General's report. I have a copy of last year's report before me. The first criticism I have to make is that the financial year came to an end on the 30th June, and we have not yet before us the Auditor-General's report for that year.

Senator DRAKE.—I am informed that the officers of the Audit Department have been working very hard indeed, but that the report is now complete, and will be laid upon the table to-day.

Senator STEWART.—It will be laid upon the table just too late.

Senator DRAKE.—That is on account of pressure of work.

Senator STEWART.—I also wish to draw the attention of the Committee to what I consider to be the incompleteness of the Auditor-General's Report, and its general lack of information. When I compare it with the report of the Auditor-General for the State of Queensland, the small amount of information contained in this report becomes all the more apparent. I think the Auditor-General should go very much more into details. I do not wish to particularize as to where the omissions are, but I would suggest to the Government that the Auditor-General be invited to look at the Queensland report, and to see whether in future he cannot model his report upon that. If he did, it would be of much more use to Members of Parliament than it is now.

Senator DRAKE.—I will take a note of that suggestion.

Senator GIVENS (Queensland).—In division 27 there is the item—"Gratuities to officers engaged in excess of office hours, £500." I have no objection whatever to those officers being paid for overtime; but I have a decided objection to the payment being called a gratuity. A gratuity is something given to a person, which he has no legal right to claim. I would suggest that the words should be amended by substituting the word "payment."

Senator DRAKE.—It is not worth while.

Senator GIVENS. — A very important principle is involved. I have no objection to the officers being paid for services rendered; but it is insulting to ask them to accept the money as a gratuity. I move—

That the House of Representatives be requested to amend the item "Gratuities to officers engaged in excess of office hours, £500," by leaving out the word "gratuities," with a view to insert in lieu thereof the word "payment."

Senator DRAKE.—This is really a matter of form rather than of substance. I am not quite sure whether the word "gratuities" is correct; but this is not a payment in the sense of being a recompense that can be legally claimed. It is not entirely a payment for overtime. It is a payment made to some State officers who have to do Federal work. Federal work is being done in the Victorian Government Printing Office,

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where the Government Printer has a large staff of printers and other employés under his direction. The special work that has to be done comes in rushes. There is the *Hansard* work going on continuously throughout the parliamentary session, in addition to which there is the printing of evidence taken by Select Committees and the printing of papers laid upon the table of both Houses of Parliament, which honorable senators wish to have at their disposal within the shortest possible time. It is, therefore, necessary to ask some officers to do work which is not in the nature of work for which they can claim ordinary payment. We make them special recognition in the form of an honorarium. Perhaps "honorarium" would have been a better word than "gratuity." But I have an idea that we have used the word "gratuity" somewhere in the Post and Telegraph Act, with reference to payments occasionally made to captains of ships.

Senator STANIFORTH SMITH.—If we were to use the word "payments," might not the Victorian Public Service Act prevent the officers from receiving the money, on the ground that they would be receiving payment for work other than their State work?

Senator DRAKE.—That would probably be the case. The word "honorarium" would be as harmless as "gratuity" in that sense, but would have the same signification. I would ask my honorable friend not to press his motion to a division, because the House of Representatives would not think highly of us for making a request upon such a comparatively small matter.

Senator GIVENS (Queensland).—We have had a disquisition on the meaning of the words "gratuity" and "honorarium," and as to which would be more proper in this connexion. I take it that neither is proper. Either these officers are or are not entitled to payment for actual services rendered. If they are entitled, I have not the slightest objection to their being paid. It is our duty to pay for all services rendered. But we ought not to make such payments by using a term which leads it to be supposed that the money is given to them as an act of grace by this Parliament.

Senator WALKER.—Could not the word "bonus" be used?

Senator GIVENS.—Only the subtle mind of Senator Walker would discover any analogy at all between a bonus and payment for services rendered. It has been suggested by Senator Smith that this word "gratuities" is used in order that no one should be in a position to take from them the money earned by these officers. The honorable senator pointed out that there was a tendency in Victoria to do that sort of thing.

Senator STANIFORTH SMITH.—I said that there might be something in the State Act which would render it impossible for a State employé to receive money as wages from any other source than the State Government.

Senator GIVENS.—I do not think that can be so. These are matters of arrangement between the States and the Commonwealth Government. As a matter of fact, Commonwealth officers render various services for the States Governments, and *vice versâ.* I regret to have noticed that there appears to be a disposition on the part of the Victorian Government to "collar" the payments made by the Commonwealth to Victorian State servants for special services rendered. I think that is a very mean thing to do. I object to the officers who earn this money being insulted by the suggestion that they are given a gratuity, or an honorarium, as an act of grace. We have no right to spend the taxpayers' money as an act of grace, whilst we have a perfect right to spend it in remunerating persons for adequate services rendered to the Commonwealth. I think we should not shelter ourselves behind the use of a word like this, and I shall take the sense of the Committee on the matter.

Senator DRAKE.—If Senator Givens is under any impression that by calling these payments "gratuities" the officers for whom they are voted are not likely to receive them, or that the heads of Departments might insist upon the money being paid into the States Treasury, he is mistaken. The honorable senator's objection is one of form, and not of substance, and I trust he will not insist on his motion for a request to the House of Representatives. The term "gratuities" is used because the payments are such as could not be legally demanded for services rendered. There might not be so much objection to the motion if the question had been previously raised, but it is rather hard that on the first occasion on which exception is taken to the use of the term, the honorable senator should proceed to the extreme length of dividing the Committee on the question.

Question—That the House of Representatives be requested to amend the item

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"Gratuities to officers engaged in excess of office hours, £500," by leaving out the word "gratuities" with a view to insert in lieu thereof the word "payment"—put. The Committee divided—

Ayes	... ...	3
Noes	... ...	17
Majority	... ...	14

AYES.

Stewart, J. C.	*Teller:*
Styles, J.	Givens, T.

NOES.

Dobson, H.	Pearce, G. F.
Drake, J. G.	Pulsford, E.
Henderson, G.	Smith, M. S. C.
Higgs, W. G.	Symon, Sir J. H.
Keating, J. H.	Trenwith, W. A.
Matheson, A. P.	Turley, H.
McGregor, G.	Walker, J. T.
Mulcahy, E.	*Teller:*
Neild, J. C.	Clemons, J. S.

Question so resolved in the negative.

Request negatived.

Senator GIVENS (Queensland). — I should like to know the circumstances in which so large an amount of money is refunded from revenue.

Senator DRAKE.—The amount asked for this year is £30,000, which is less than was asked for, but is rather more than was expended, last year. Fifty-five thousand pounds was asked for last year on this item, and £25,000 was expended. It is largely spent in connexion with the Customs Department, but to some extent also in connexion with the Post and Telegraph Department. The honorable senator will understand that when any money is received by the Government it is paid into the consolidated revenue, and it cannot afterwards be paid out except by a vote of Parliament. It sometimes happens that a payment is wrongly made to one of the Departments. It may happen, for instance, that money is paid into the Customs Department in mistake, and that money cannot be refunded without a vote of Parliament.

DEPARTMENT OF TRADE AND CUSTOMS.

Divisions 32 to 40, £269,797.

Senator MULCAHY (Tasmania).—When Mr. Kingston was Minister of Trade and Customs he inaugurated quite a new method of managing the Department.

Senator GIVENS.—A very proper method. He rendered valuable services to the Commonwealth.

Senator MULCAHY.—I have said so before publicly, and I repeat it now. I quite agree that in very many respects he did the right thing. I desire to direct the attention of the Government to the method adopted by the Customs Department of referring trumpery grievances to be settled by the Minister instead of deputing authority to deal with such matters to local Collectors of Customs. In cases of misdescription of goods, and other slight offences, involving, perhaps, not more than a few shillings or a pound, it would be much more convenient if the decision were left to the local collector, instead of putting in operation the whole machinery of the Department.

Senator STANIFORTH SMITH.—Might that not lead to great abuses?

Senator MULCAHY.—That practice was always followed when the Customs were under the control of the States, and no abuses followed; offenders were punished all the same.

Senator GIVENS.—Under the States all offenders were not punished.

Senator MULCAHY.—I am not advocating that the system should be altered in any way, except in trumpery cases. Very respectable firms complain of being dragged before the public, in cases where error is palpable, and none but the most innocent intentions can be shown.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General). — I am at one with the view expressed by Senator Mulcahy, but it comes to me rather as a surprise that local investigations of the kind do not take place in Tasmania. I know that such a system as that suggested is in operation in South Australia, and, I believe, throughout the Commonwealth; but, as Senator Mulcahy says, it may not be so frequently applied in Tasmania as elsewhere. For a considerable time past, cases of irregularity, which, in the opinion of the local collector, do not involve deceit or fraud, have been dealt with by that official. For the security of the revenue, and in order to see that no injustice, on the other hand, is done to the importer, a report is sent to head-quarters. If that report be confirmed, then proceedings are instituted. I shall make inquiries as to whether the system I have mentioned does not apply in Tasmania.

Senator GIVENS.—Who is to be the judge of the intention, and on what evidence?

Senator MULCAHY.—Importers are not all scoundrels.

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Senator GIVENS (Queensland).—I do not think Senator Mulcahy is justified in making that interjection, which implies that we on this side, who take exception to a particular course, think that importers are scoundrels. We are only asking that the law shall be properly administered. I asked the Attorney-General who are the judges of fraudulent intention.

Senator MULCAHY.—Our own officers.

Senator WALKER.—Who can be the judge of anybody's intentions?

Senator GIVENS.—Intentions can only be judged by evidence, and I further asked the Attorney-General on what evidence the judgment is based.

Senator MULCAHY.—The evidence is often obvious in the invoice.

Senator GIVENS.—Before Mr. Kingston took charge of the Customs Department, there was in the States a system which, to a very large extent, encouraged a spirit of lax commercial morality. That was bad for Australia; and our thanks are due to Mr. Kingston for instituting a new era.

Senator MULCAHY.—No one paid Mr. Kingston a higher tribute than I did on this same question.

Senator GIVENS.—I am sorry that the method inaugurated by Mr. Kingston has not been adhered to. If any ordinary individual transgresses the law, and a *primâ facie* case is shown, he has to face a tribunal of his country in open Court. When, however, there is a *primâ facie* case against a merchant the method with all Customs administrators, excepting Mr. Kingston, was to have the matter "fixed up" in the Collector's office, or in the Minister's back parlour over a glass of champagne. Was that sort of treatment meted out to lowly offenders? Was such a tender regard shown for their dignity or their feelings? There ought not to be such distinctions between one class and another.

Senator MULCAHY.—I am not advocating anything of the kind.

Senator GIVENS.—I admit that a *primâ facie* case is not always sustained; but to deal with cases in the way I have described is not in accordance with the recognised equality of every citizen before the law. On every platform I have not only defended, but lauded, Mr. Kingston's policy.

Senator MULCAHY.—I am not attacking Mr. Kingston's policy.

Senator GIVENS.—In time to come Mr. Kingston will be honoured throughout the Commonwealth as a man who had courage enough to treat all offenders alike, whether wealthy or poor. Instead of making the administration more lax and leaving more loopholes for escape, we should be inclined to adhere to the policy initiated by that gentleman.

Senator STEWART (Queensland). — What were the salaries paid to the various patents' officials in the States before the administration was taken over by the Commonwealth?

Senator DRAKE.—I am afraid I cannot give the honorable senator that information just now. There are a great number of officials, and, to ascertain the facts, I should have to look through the records of every one of the States.

Senator STEWART.—If I remember rightly there have been very large increases since the administration was taken over.

Senator DRAKE.—Some of the officials have increased salaries as compared with the salaries they themselves received in the particular States. But those salaries are not high in proportion to those which were paid in other States; in comparison, the Federal salaries are very moderate.

Senator STEWART.—Is there a Patents Office in each of the States?

Senator DRAKE. — Not now, but the former Registrars are now acting as Deputy Registrars.

Senator GIVENS (Queensland).—Why does the messenger in the Patents Office receive a salary of only £50? Is he a mere youth?

Senator DRAKE.—Possibly he is only a boy.

Senator GIVENS.—Is it proposed by the Government that a Commonwealth Statistical Department shall be organized, and the services of that eminent statistician, Mr. Coghlan, secured? It would be extremely satisfactory to everybody to receive information to that effect.

Senator DRAKE.—I have no doubt that an appointment of the kind would give satisfaction. Negotiations have taken place; but nothing has yet been finally settled. It would, I think, be good for the Commonwealth if Mr. Coghlan did transfer his services from the State, but, as I say, the matter has not yet been determined.

Senator TURLEY (Queensland).—Some time ago I asked a question regarding the action taken in regard to the collection of duties on oils, which, according to the

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Tariff, ought to be free. In the Customs guide there occurs the following:—

China (in vessels exceeding 1 gallon).—Note.—This term covers the crude liquid oils of Stellinga and Araghis, either singly or in admixture, and suitable only for burning and soap making. Free.

Under the system of administration the Department decline to allow this commodity to be handed over to the consignees, unless the latter are prepared to pay a duty of, I think, 6d. per gallon. A number of people, it appears, deposited a sum of money, from which duty could be deducted in terms of section 167 of the Customs Act, as follows—

If any dispute shall arise as to the amount or rate of duty, or as to the liability of goods to duty, the owner may deposit with the collector the amount of duty demanded, and thereupon the following consequences shall ensue:—

1. The owner, upon making proper entry, shall be entitled to delivery of the goods.

2. The deposit shall be deemed the proper duty unless by action commenced by the owner against the collector within six months after making the deposit the contrary shall be determined, in which case any excess of the deposit over the proper duty shall be refunded by the collector to the owner, with five pounds per centum per annum interest added.

The provisions of this section shall not apply to any goods which may be detained or seized for under-valuation, or in respect to which any attempt to evade the payment of duty may have been made.

When I was in Queensland a short time ago, a person who had been importing a considerable quantity of China oil, told me that on each occasion he verbally protested to the Customs officer against having to pay duty thereon. He wrote a letter on the subject to me afterwards, and on the 28th October I put on the notice-paper a series of questions which were answered by the Attorney-General on the 23rd November.

(1) What amount of money was collected in Queensland by the Department of Trade and Customs as duty on China oil from 8th October, 1901, to the date of the issue of Order 480?—£511 17s. 11d.

(2) What was the number of persons making such payments?—142.

(3) What portion of this amount was paid under protest or deposited in terms of section 167 of the Customs Act?—None paid under protest, but £26 10s. deposited under section 167 of the Customs Act.

(4) What are the number of persons who paid the amounts under protest or by making deposit in terms of section 167 of the Customs Act?—Three.

(5) What amount has been refunded since date of Order 480?—£6 5s.

(6) The number of persons to whom refunds have been made?—One.

(7) What are the number of persons who have applied for refunds of duty paid or deposits made on China oil since 8th October, 1901, and whose applications have been refused?—One.

I hold in my hand letters which were sent to the State Collector of Customs, asking that the amount which had been paid under verbal protest should be refunded, so that there has been more than one request made to the Department. The duty has been collected for a number of years, and apparently the deposits must have been made for some time. Sub-section 2 of section 167 of the Act provides that—

The deposit shall be deemed the proper duty unless by action commenced by the owner against the Collector within six months after making the deposit the contrary shall be determined.

Here is money which has been deposited in terms of the Act. In all probability a portion of it was deposited for a greater length of time than six months before the order was issued. If an article is termed "free" in the Customs schedule, and the Customs officers say that, according to their interpretation, it is liable to a duty, it is paid by the importer in the belief that the administration of the Department is fairly sound. But if it is discovered afterwards that a mistake has been made by the Department, it is only reasonably honest that those importers who have paid the duty under a misapprehension should get it refunded It was absolutely necessary for the importers to pay the duty in order to prevent their trade from drifting away from them. It has taken me over two months to get any information on this case, and to ascertain the intentions of the Government. Possibly I may be told that I am not taking the right course, and that I ought to submit a motion asking for an expression of opinion as to whether the public should be "taken down" in this way by the Department when they are endeavouring to comply with the law as it is interpreted by its officers. In my absence on the 30th October this question was asked by Senator Dawson—

As the Government have decided to refund all moneys lodged in terms of section 167 of the Customs Act for payment of duty on China oil, and all duties paid under protest on such oil, if applications for refunds are made by the persons making such deposits or paying such duties, will the Government refund all moneys paid since 8th October, 1901, as duties on China oil conforming to the definition contained in Order 436 to all persons who have paid same, irrespective of whether such duties were paid under protest or deposited in terms of section 167 of the Customs Act?

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The Attorney-General gave the following answer:—

It appears to be doubtful if the duties referred to as not paid under protest or deposited in terms of section 167 of the Customs Act can be legally refunded, but the Government will make further inquiries, and if necessary refer the question to the Commonwealth law officers before finally deciding.

Surely there has been sufficient time to permit the law officers to discover whether it was legal to refund the money? I have put the question on two or three occasions, but it seems to me that unless one is prepared to make himself a nuisance he can get very little information from the Government. It is only fair that when reasonable notice is given to the officers any information desired should be forthcoming. I have always been accustomed in Queensland to be furnished as soon as possible with the information for which I have applied. This is a small matter, perhaps, from the point of view of the Department. They may say it is only a matter of £500 odd spread over forty-two persons.

Senator DRAKE.—From what the honorable senator says, it strikes me as being a very big question.

Senator TURLEY.—It may be a very small question as far as the Department is concerned, but it is a big question to those who paid the duty on the representations of the officials, and who now find that because it was not paid in terms of section 167 of the Act they have no right to get a refund. In this case those who endeavoured to comply with the law as it was represented to be by the officials, are the only persons who are going to suffer. After they had been wrongly collecting the duty for three years, the Department decided to refund the money to those who had complied with section 167 of the Act, but not to those who believed that the official interpretation of the law was wrong, but who, nevertheless, paid the duty under verbal protest, and who are able to get an admission to that effect from the officers concerned in its collection. Unless the money be refunded in their case too an advantage will be given to their trade competitors. If any one ought to receive consideration it is the man who is prepared to endeavour to abide by the interpretation of the law as declared by public officials. It has always seemed to me that the importers of China oil have a fair case against the officers of the Government. I may be told that it does not matter whether they have or not; that there are the law courts to which they can go to prosecute their claims against the Government. But I do not believe that many of these people are in a position to have recourse to the law courts. It is of no use to say that a person can take advantage of the law when, in all probability, he has not a five-pound note in his pocket. It practically amounts to saying that he cannot get justice unless he has a long purse, and is able to engage lawyers to fight the Crown, which fights them with public money, and can command the best talent. Probably, if a verdict was secured against the Crown in one of the lower courts, there would be an appeal involving a considerable amount of money. I desire to have information in connexion with this matter. It concerns not one, but a number of persons who have paid duty under representations made by the officials of the Government. If what is described is the law, I contend that the law is very hard upon people who are trying to be honest and to pay their way, especially as they are not in a position to know what the law is as clearly as do those who are administering the Department.

Senator DRAKE.—I am sorry that the honorable senator should consider that he has reason to blame the Government for not having supplied him with information. But it seems to me that, so far as the facts are concerned, he has all the information he has asked for. What he asked, I understand, was what course the Government intend to take. He has already been told that the money will be refunded so far as it has been paid under section 167. If not paid under that section, no claim to a refund can be entertained. Getting away from the details of the case—which, as the honorable senator says, may be small in themselves — we come to a very big question upon which he desires the Government to express an opinion. That is whether, in cases where duty has been wrongly charged, and the Customs authorities afterwards come to the conclusion that the duty should be lower, all the persons who have paid the higher duty are entitled to a refund? The answer is that the Customs Act itself provides a certain course for importers to take under such circumstances. Section 167 provides—

If any dispute shall arise as to the amount or rate of duty, or as to the liability of goods to duty, the owner may deposit with the Collector the amount of duty demanded, and thereupon the following consequences shall ensue. . .

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2. The deposit shall be deemed the proper duty unless by action commenced by the owner against the Collector within six months after making the deposit the contrary shall be determined.

Senator TURLEY. — That is by action; there is no question of refund.

Senator DRAKE.—But the Customs authorities are prepared to refund any amount overpaid when it has been paid under written protest.

Senator TURLEY.—But not under the authority of that section.

Senator DRAKE.—Under a general authority contained in the Act.

Senator TURLEY.—Where is that general authority?

Senator DRAKE.—What the honorable senator is claiming is that where an error has been made in deciding the proper duty to be paid on an article, whenever the Customs authorities come to the conclusion that the duty paid was too high, the persons who have paid the higher duty should be entitled to a refund. That is certainly not equitable. China oil is used in the manufacture of soap. It goes into consumption in that way. To illustrate the principle, take the case of ordinary merchandise. Suppose drapery, or something of that kind has for three years been charged 20 per cent. instead of 10 per cent. That 20 per cent. has been added to the cost of the article, and the consumer has paid it. Would it be just if the Customs authorities afterwards came to the conclusion that 10 per cent. instead of 20 per cent. ought to have been paid to refund the amount overpaid, when the importer had been collecting it from the consumer? I fail to see how the honorable senator can establish his claim to a refund of the duty in this case. We must lay down a broad line for all such cases. The law cannot be applied capriciously, favouring importers in one instance, and not in another. We must have a general principle, and apply it indiscriminately throughout the Commonwealth. It is hard that any man who has a case should be unable to afford to go to law, but still that remedy is always open, and the Customs authorities will always have to pay if judgment is given against them. But, unless the authority of the Court is obtained, the Customs authorities, as I understand, are not in a position to refund money which has not been paid under protest.

Senator WALKER (New South Wales). --In this matter I take the ground that if the Customs authorities, through their own mistake, have received money to which they are not entitled, they should take the initiative and refund it. I think the feeling of the Committee is that that course should be adopted, and I hope the Minister will give instructions accordingly.

Senator PULSFORD (New South Wales).—My sympathies go in the direction of the remarks of Senator Turley. He draws attention to the fact that if a man in a large way of business, knowing all the details and all the points in connexion with importation, enters a written protest against the payment of duty, he is afterwards allowed a refund; whereas a man in a smaller way of business, who intrusts implicitly to the directions and instructions of the Customs officers, and hands over the money without making any protest, is deprived of any right to a refund. The matter is involved in a good deal of difficulty, because, as Senator Drake points out, the importer might be enabled to get a refund of money when he had already charged it on to the consumer. In a case where China oil was concerned, the Government ordered the Customs Department to allow the oil to be admitted free when it was found that a man in a large way of business in Melbourne threatened an action against them. I consider that the Government should, not as a matter of law but of justice, consider every case on its merits, and if they find that an overcharge has been made, and has not been recovered by the importer from the consumers, they should deal generously with it.

Senator McGREGOR (South Australia). One or two cases of this description have been brought under my notice. I have gone to the Customs Department, where I have found that the officers give all the assistance in their power, and the money paid under protest was refunded without going to law. I have in mind two instances where that was done. I think that either the merchants or the officials in Queensland are not going the right way to work, or the results would be different.

Senator DRAKE.—The difficulty arises under section 166 of the Customs Act, which reads as follows:—

If any practice of the Customs relating to classifying or remunerating any article for duty shall be altered, so that less duty is charged upon such article, no person shall thereby become entitled to any refund on account of any duty paid before such alteration.

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The honorable senator sees the difficulty that arises. The law expressly provides for a case where there is an alteration in the duty.

Senator Pulsford.—China oil was explicitly ordered by the Tariff Act to be free of duty.

Senator DRAKE.—This section certainly applies to a case where duty has been paid on an article that is afterwards found to be on the free list.

Senator TURLEY (Queensland). — We do not seem to be getting "any forrader" in this matter. The explanation of the Vice-President of the Executive Council does not satisfy me, because it does not seem to bear upon the question. He points out that section 166 of the Customs Act provides that no person shall become entitled to any refund; and I submit that no person is entitled under section 167 to any refund, even though he has made a deposit under the terms of the Act. The section clearly states that—

> If any dispute shall arise as to the amount or rate of duty, or as to the liability of goods to duty, the owner may deposit with the Collector the amount of duty demanded, and thereupon the following consequences shall ensue. . . .
>
> 2. The deposit shall be deemed the proper duty unless by action commenced by the owner against the Collector within six months after making the deposit the contrary shall be determined.

I wish to know what truth there is in the statement that the Customs Department found it necessary to break the law in this matter only when they were theatened with an action by a large importer in Melbourne. It appears that they could readily flout the man in a small way of business, but when they had to deal with a man who was prepared to take the question to Court they admitted that his contention was right. An order is made by the Department for the refund of this duty collected over a period of about three years, and if the Government are right in issuing such an order they will be equally right in refunding the whole of the money collected in this way. The Vice-President of the Executive Council has referred me to section 167 of the Customs Act. I told the honorable and learned senator that there is no authority under that section for the action taken by the Government, and I desired him to refer me to any section in the Act which gives the Government power to decide matters in the way in which this matter has been decided. I can get no information whatever from the honorable and learned senator, who has merely talked generalities. I wished to know whether the Government, under the Customs Act, have power to make these refunds, and Senator Drake has not touched that question at all. The honorable and learned senator has talked all round it, and has said that under sections 166 and 167 certain things take place, but I again submit that these sections do not touch the matter to which I have referred. I am not contending that these persons have a right under the law to claim a refund, but I ask whether there is anything in the Customs Act which expressly prohibits the Government from making these refunds? I have searched the Act from end to end without finding any provision of the kind. It seems to me that it is a question purely of administration. If it can be pointed out to me that there is a single specific provision in the Act which says that the Government shall not have power to make refunds where the Department has made a mistake, I shall be satisfied. Senator Drake has not attempted to do that, but has simply evaded the question. The officers of the Customs Department should know their own business, but apparently they do not, because, while it is distinctly stated in the Tariff Guide that oils of a certain sort and in certain quantities shall be admitted free of duty, they do not appear to have been aware of the fact. The average person taking up the Tariff Guide will see in a moment that it was the intention of the Legislature that these particular oils used for manufacturing purposes should be admitted free, but the Customs Department have said in certain cases, "No matter what the law says, our interpretation of the law is that you must pay 6d. per gallon duty on this oil." This may be all right in the case of a man in a large way of business, with a lawyer at his elbow to advise him in the circumstances to make his payment in certain terms, but no consideration is given to the man in a small way of business who has not the assistance of a legal adviser.

Senator Drake.—I hope that is not so.

Senator TURLEY. — This case proves absolutely that it is so. The man carrying on business in a large way, with the advice of a solicitor, makes his payment in conformity with the law, and when this question arises, his money has been deposited in a certain way, and he is able to secure a refund. But it is not so with the man in the small way of business. Now that the Attorney-General is present I should like to ask him whether there is anything in the

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Customs Act which expressly prohibits the Government refunding duty paid in this way, or whether it is merely a question of providing work for the Law Courts? Senator Pulsford has stated that, whilst the small man is taken no particular notice of, the Government suddenly discover that they have made a mistake when they are threatened with an action by a large importer of this commodity, and find it necessary to refund the duty which he has paid. The Vice-President of the Executive Council has directed my attention to section 167 of the Customs Act, and has informed me that under that section no one is entitled to a refund.

Senator DRAKE.—The honorable senator's trouble is that a refund is made to one and not to another.

Senator TURLEY.—No; my trouble is that this is a question of administration, and not a question of law. I am contending that there is nothing in the law which expressly prohibits the Government from acting as fairly towards the small man as towards the man in a large way of business.

Senator TRENWITH.—Surely the Government are not permitted to pay out money to which people are not entitled?

Senator TURLEY.—It is not a question of establishing a claim in that way. Senator Trenwith will admit that if a mistake is made by Government officials the Government should rectify this mistake in the course of administration.

Senator TRENWITH.—Not if the law provides that it shall not be so.

Senator TURLEY.—I am asking the Government to tell me where, in the Customs Act, they are expressly prohibited from refunding money paid in this way. I can find nothing expressly laid down in the law to provide that the Government cannot act fairly by all the citizens of the Commonwealth. If I am told that the law is such that under it the Government may act fairly by one, and unjustly by other citizens. I am sure that that is a law which Senator Trenwith will assist us to alter. The Department has admitted that they have made a mistake in this matter. Here is an article which Parliament, the authority above the Government, has declared shall be free of duty. The Government officials in a certain place have contended that this is a dutiable article, and those importing it must pay duty on it before they can get it. A man in a small way of business goes to the Customs Department, believing that he will get correct information. He wishes to pass entries for this oil, and the officials of the Department tell him that he is making a mistake in thinking that it is free of duty. They inform him that it is subject to duty at so much per gallon, and he must pay that duty before he can get it. He does not go to a lawyer to find out what is the best thing to do in the circumstances, because to do so might cost him three times as much as he would have to pay to the Customs Department to secure possession of the oil which he has imported. He is disposed to take the word of the Customs officials. He does not presume that men employed by the Government are employed for the purpose of getting money out of him contrary to law. He pays the duty demanded by the Department, and later on he discovers that the officers of the Department have made a mistake, that they have wrongly interpreted the law, and that the commodity which he has imported is free of duty. But he has no remedy. Another importer of the same commodity acting under the advice of a solicitor deposits his money in the terms of section 167 of the Customs Act, which the first man knew nothing at all about. When the departmental blunder is discovered, an order is issued—contrary to the law, which says that the deposit shall be the cause of an action before it is paid back—by which the money is refunded to the big importer. To the man in a small way of business, the departmental officers say, "You have not established a claim—what right have you to a refund?" Senator Trenwith, I am sure, will not consider that fair play. When the Government, exercising their powers of administration, go behind section 167 to refund money which has been paid under protest by a large importer, they should be prepared to exercise the same act of adminis tration when dealing with men in a small way of business, who have paid duty wrongly charged, because they have trusted in the ability and integrity of the officials employed by the Government to administer the law. If there was any section expressly prohibiting the Government from making refunds there might be something said for the position taken up. I have been endeavouring for over two months to obtain information, and the present is the only opportunity I know of to accomplish my object, this year, at any rate. If it is purely an act of administration, so far as the big man is concerned—and according to Senator Pulsford it is

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only when the big man puts down his foot that the Government think it time to move —then it should be an act of administration in the case of the small man, who is apparently absolutely ignored, simply because he may not be acting under legal advice. The law does not provide that a man has a right to get his deposit back, but the section distinctly states that the deposit shall be deemed the proper duty unless an action be commenced within six months. I contend that none of the people involved have commenced action against the Collector. We have heard, indeed, of one man who threatened to commence an action—I do not know whether in that case more than six months had elapsed—but, at any rate, the Government immediately made the matter one of administration, and were prepared to make a refund. In other cases, however, no satisfaction could be got, and the Government endeavour to shield themselves behind generalities. I desire to know whether members of the Senate are prepared to say that justice shall be meted out to the big man and refused to the small man, and, therefore, I move—

That the House of Representatives be requested to reduce division 37, "Queensland, £51,934," by £1.

Senator Sir JOSIAH SYMON.—I do not know that the request submitted by the honorable senator presents exactly the way to decide the question whether the Government have power to refund this small amount of duty, and whether it shall be refunded.

Senator TURLEY.—It is the only way I have at my disposal just now.

Senator Sir JOSIAH SYMON.—I think not. The effect of the request, if carried, is simply that it will go to the other House, who will disagree with it, and there would be an end of the matter.

Senator TURLEY.—I shall see that the facts are laid before the other House, at any rate.

Senator Sir JOSIAH SYMON.—I do not wish to persuade the honorable senator one way or another, but merely to mention that his proposal is scarcely the way in which, if there is a doubt as to the power of the Government, to ascertain whether a person is entitled to a refund of Customs duty.

Senator TURLEY.—I cannot attain my object by motion.

Senator Sir JOSIAH SYMON.—At any rate, I do not think this is the way to attain it.

Senator TURLEY.—Will the Attorney-General point out another way?

Senator Sir JOSIAH SYMON.—I do not think there is any way at all.

Senator TURLEY.—Then I am taking the only way I can see.

Senator Sir JOSIAH SYMON.—If there were a resolution of both Chambers, overriding what we think to be the law, and declaring that a refund shall be made out of the revenue, the refund would have to be voted in the ordinary way. This money has, of course, gone into revenue, and there is only one constitutional way of taking it out, subject to a statutory provision to which I shall presently refer. Senator Turley, I think, will see that to reduce this particular division by a sum of £1 is not the way to assert that there shall be refunded any particular money paid into Customs revenue. The honorable senator's speech was a very powerful and vigorous statement of the position from his point of view, and I may say that that statement gladdened my heart as a free-trader. In all such matters, I take a very liberal view, and, when commodities are declared to be admitted free, I like them to be free. I feel always a very strong inclination to adopt any course which will secure to the importer the admission of goods free, and, if not free, at the lowest possible duty.

Senator GIVENS.—Why refund to the rich, and not to the poor?

Senator Sir JOSIAH SYMON.—My friend, Senator Givens, is possessed of such, I shall not say, an impatient, but a galloping intellect, that he gets a long way ahead of the stage we have reached, while I can only approach it by slow and plodding steps. The question is very simple indeed. It is not a question of administration, but one of strict law laid down for the protection of the revenue, and the control of a Department which is exceedingly difficult to administer. If any looseness takes place in regard to the refunding of money paid into the revenue by way of duty on particular commodities, it will open the door to endless claims of the same character, and cause not merely a great deal of difficulty, but, possibly, a great deal of abuse. The schedule of the Tariff declares amongst other exemptions that of what is described as China oil. When the Tariff was passed, the Customs authorities had at their head a man who devoted his very life and energy to bringing it into effective operation. That gentleman, in conjunction with his officers, and, of course, under the

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advice of experts made classifications of the articles to be subject to duty. For any one to suppose that those classifications could be perfectly free from error, or from the necessity of change upon further information, would be to suppose an impossibility; and of course that position is contemplated by the law. When we passed the Customs Act we provided for all such contingencies. We provided, as was necessary, that no man should be entitled to a refund of duty he had paid under a classification which, when originally made, was believed to be correct, and to cover justly the articles referred to, simply because, on further information, the classification was subsequently altered, with the result that a lower rate of duty, or no duty, was charged.

Senator TURLEY.—Of which section is the Attorney-General speaking?

Senator Sir JOSIAH SYMON.—I desire to first deal with the facts and the position. Matters are always in a state of flux in regard to Customs duties. Definitions change from day to day, some commodities being excluded at one time and included at another; and all depends on fresh information and so forth. After the coming into operation of a Tariff such as this, it would be impossible to have, as a matter of course, refunds of duty paid under such circumstances as I have indicated. Such contingencies were contemplated when the Act was framed, and provision was made to meet them in three sections. The first of those sections is 166, as follows:–

If any practice of the Customs relating to classifying or enumerating any article for duty shall be altered so that less duty—

which, of course, includes free; a duty may be so much less that it is free—

is charged upon such article, no person shall thereby—

that is, shall by virtue of the simple fact that he has paid duty on articles which are now declared to be free, but which were previously presumed to be dutiable—

become entitled to any refund on account of any duty paid before such alteration.

This is the general enactment to guard against endless claims, and against a total disarrangement of the Customs—against opening the door to all kinds of abuses and difficulties. The Act could not be administered in the face of endless claims of the kind. The section I have read, if taken as absolutely rigid, might seem to be hard; and opportunity ought to be, and is, afforded to deal with the class of cases contemplated. An importer, to take the case cited by Senator Turley, relies on the following definition of China oil:—

This term covers the crude liquid oils of Stellinga and Arachis, either singly or in admixture, and suitable only for blending and soap making.

He goes down to the Customs House, and the authorities say, "The article does not come within that definition; it is dutiable." Then the importer may do one of two things. He may say, "This is China oil, and it is free." In that case he ought to have the opportunity of paying the duty under protest, or making a deposit, and then testing the question, and it is given to him by the Act. On the other hand, he may say to the Customs officers, "You say that this oil comes within that classification. I yield to that interpretation. I pay the duty without deposit or without protest." The persons to whom my honorable friend wishes the duty to be refunded adopted the latter course.

Senator TURLEY.—Under verbal protest.

Senator Sir JOSIAH SYMON.—That is a matter of evidence with which we cannot deal.

Senator TURLEY.—The Customs officials are prepared to furnish that evidence.

Senator Sir JOSIAH SYMON.—I have no knowledge of that, and if I had, an oral protest is altogether ineffective, as I shall show. This is not a matter of the small man and the big man, and I am sorry that that feature has been introduced, because it conveys an imputation which reflects upon the Customs authorities. These proceedings took place under a foreign *régime*, and it is a reflection which I think should not be made. I do not believe that there is any disposition, and, certainly, there was no disposition on the part of the Customs authorities two years ago, to favour the big man in preference to the small man, or *vice versa*. It may influence our sympathies, but it has no bearing on the question at issue. If it described the state of things, however, it would be an allegation practically of corruption. My information is that the importers to whom my honorable friend refers, accepted the second alternative; the others adopted the first alternative. I have put the two alternatives which the law should contemplate, and these are provided for by the Customs Tariff Act. Section 163 says—

(1) Whenever goods—

(*a*) Have received damage, or have been pillaged during the voyage; or

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(*b*) Have, whilst under Customs control, been damaged, pillaged, lost, or destroyed; or

(2) Whenever duty has been paid through manifest error of fact, or patent misconception of the law,

a refund, rebate, or remission of the duty as the case may require shall be made in manner prescribed.

Then section 167 says—

If any dispute shall arise as to the amount or rate of duty, or as to the liability of goods to duty, the owner may deposit with the Collector the amount of duty demanded, and thereupon the following consequences shall ensue:—

(1) The owner, upon making proper entry, shall be entitled to delivery of the goods.

If a dispute arises, and the parties continue at arm's length, it can only be determined by a court of law. So the section goes on to provide—

(2) The deposit shall be deemed the proper duty unless by action commenced by the owner against the Collector within six months after making the deposit the contrary shall be determined.

If the Customs authorities do not maintain their position, but say, "The duty is paid under a manifest error of fact, or a misconception of the law," they are not bound to go to law simply for the fun of the thing; they can refund the money.

Senator TRENWITH.—But that must be within six months of the time the duty was paid.

Senator Sir JOSIAH SYMON.—Quite so. They cannot go outside the law, because of any sympathy. We must all sympathize with the man who pays a high rate, when under a more correct classification he ought to pay a lower rate, or pays a duty under an old classification, when under a new one the article would be free. But we cannot give rein to our natural sympathy, and disorganize the Customs administration. Regulations are made which, of course, have the force of law until they are held to be *ultra vires*. Dr. Wollaston's *Customs Law of Australia*, which is a very good compendium, gives the regulations—

125. Claims for refund, rebate, or remission of duty shall be made, according to form 42, to the Collector at the port where the duty has been paid or is payable.

That does not deal with a case where there is a fight going on under section 166, because that can only be determined by a Court if the Customs authorities will not give way. But under section 163 claims for refunds, rebates, or remissions of duty must be made according to form 42.

126. Such claims shall be made not later than three days after the goods have passed from the control of the Customs or the duty has been paid, or such further time, not later than one week from such passing or payment, as the comptroller, in writing, allows. But unless made as aforesaid no such claim shall be received or allowed.

All these regulations deal with the remission or refund of duty paid under certain conditions, as provided by section 163 of the Act, and under section 167, if the Customs authorities continue to dispute the point, there is only one alternative, and that is an appeal to a Court. But if they do admit the right to a rebate or a refund there is no litigation, in accordance with the decisions of previous Attorneys-General. It is the only interpretation under which the proper management of the Department can proceed and the law be carried into effect. Even where there is an absolute disagreement, and it can only be settled at law, it must be commenced by the owner against the Collector within six months after making the deposit. I do not overlook what my honorable friend has said as to an oral protest, which the law does not provide for in any way, and the payment of the duty under conditions which entitles the importer either to a refund, if the Customs authorities give way, or to an action at law if the dispute is maintained. Hard cases, it has often been said, make bad law, and they certainly make bad administration. The smallness of the amount involved in this case does not affect the principle of the thing. But those who made the deposit in the terms of the law, and made their claims under the circumstances referred to, occupy a different position, because, about a year ago, the Customs authorities framed the following new classification:—

The term "China oil" is applicable only to the liquid oils of Stellinga and Arachis either singly or in combination with each other, or with the addition of a proportion of crude sesame oil.

Having made that new definition, they had to deal with those who had paid the deposit, and taken the steps which entitled them to claim a refund. Admitting that the old classification was made under an error of fact, or a misconception of the law, their duty was clear, under the authority of previous decisions of the law officers, and that was to make a refund. But in the case of those importers who had not made the deposit, and who, under what my honorable friend says was an oral protest, paid

the money and assented to the liability—it may be because the amount was small, as he suggests, or it may be because they did not know the difference—there is no legal authority to refund the money. It seems to me that if the Customs Department were to take it upon themselves to refund duties paid under such circumstances as these, and without compliance with the law, they would be liable to be visited with the severest possible displeasure of Parliament; in fact, it would be almost impossible that they could be allowed to retain their offices. It would be a most dangerous thing to allow that to be done. We might have swarms of applications coming before the Department, in which the officials would be required not to interpret and enforce the law as clearly laid down in the Act and regulations, but to give rein to their sympathy and good feeling, with the possibilities of obvious abuses creeping in. I can assure my honorable friend that the Customs Department have every desire to act upon the principle of doing justice to everybody alike; and if the same conditions prevail, the large importer who pays duty without a protest is no more entitled to receive a refund than is the small man who pays under similar circumstances. Therefore I am sorry that it is impossible for the Customs authorities, doing their duty under the law which they are sworn to administer, to act otherwise than they have done. I have investigated the matter with great care. By the courteous consideration of my honorable friend, I have had a full opportunity to go into the matter thoroughly; and I say again that it is with regret that we find that it was impossible for the Department to act otherwise. Even if it were possible for the Department to make a refund in accordance with a resolution of the Senate, it could not be done under an amendment such as this.

Senator TURLEY (Queensland). — The Attorney-General started by pointing out that some other method should be adopted to elicit an expression of opinion with regard to this subject. I have always understood that the best method of obtaining an expression of opinion with regard to matters of administration was to move for the nominal reduction of a vote. That is the course which I have taken. The Attorney-General appeals to the sympathy of honorable senators, and says that, however strongly they may feel, they should not express an opinion regarding the method of administration. It is not a question of sympathy, but of fair dealing. The matter of collecting duties on China oil was under the consideration of the Customs Department of the States years ago. It was not until a large merchant in the city of Melbourne was ready to bring an action against the Government that they considered it; and then, whatever the Attorney-General may say to the contrary, they gave a preference to the big man over the small man, whatever their intentions may have been. I have stated the facts pretty clearly so far as concerns the case represented to me by one of my constituents, who informs me that there are other cases in the same position. I have moved this request, because I want to know whether honorable senators are prepared to back up the administration, or whether they think that the Department ought to give satisfaction from the point of view of equity to all classes of the community. The Attorney-General stated that when Mr. Kingston was at the head of the Customs Department, he, in consultation with his officers, decided to adopt a certain classification of goods. No one complains of that. But I venture to say that if Mr. Kingston were at the head of the Department now, and knew of an obvious mistake, he would insist that everybody who had paid under a misapprehension should get his money back.

Senator TRENWITH.—He would not have the power to do it.

Senator TURLEY.—The honorable senator cannot show me a solitary provision in the Act which says that the Minister has not the power.

Senator Sir JOSIAH SYMON.—The honorable senators must show authority for doing it.

Senator GIVENS.—The money has been paid in one case.

Senator Sir JOSIAH SYMON.—There has been no refund, unless the money was first paid on deposit under protest.

Senator TURLEY.—Allusion has been made to section 166. That section simply states that no person shall become entitled to a refund on account of any duty paid before an alteration in classification. That covers the whole thing. No distinction is made in favour of those who paid under protest. The section says that no persons shall be entitled. Senator Symon also read a number of regulations, but they did not bear upon the question; and when he discovered that there were no regulations that

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did bear upon it, he quietly dropped the book. He reminded me of the action of a peculiar fish, which, when it wishes to hide itself, emits a quantity of liquid which discolours the water, and enables it to escape under the cover of darkness.

Senator Sir JOSIAH SYMON.—Will the honorable senator point out anything either in the Act or the regulations which says that duty paid under these circumstances shall be refunded?

Senator TURLEY.—I want the Government to point out where the Act expressly states that the Minister shall not have the power to refund. It is a question of administration.

Senator TRENWITH.—Does not the Act say that persons shall not be entitled to a refund except under certain conditions?

Senator TURLEY.—I admit that.

Senator TRENWITH.—If they have not complied with those conditions, they are not entitled, and cannot be paid.

Senator TURLEY.—The law says that China oil shall be free.

Senator Sir JOSIAH SYMON.—But the Department has to classify articles; and they were entitled to collect the duty in the first instance.

Senator TURLEY.—Only by virtue of the classification. After two or three years, the Government decide that the oil shall be free. It would be very strained administration if a person bringing goods into the country asked for information from the Department, and if duties were charged on articles which the Department itself admitted ought to be free. I have pointed out that the Attorney-General has completely clouded the issue by reading a number of regulations which he says have the force of law, but which have no more bearing on this question than they have on the rising of the moon. I have dealt with sub-section 2, of section 163 of the Act, which provides that a refund or remission of duty collected in manifest error. shall be made "in the manner prescribed." That is definite, but we have then to discover what is "the manner prescribed." The Attorney-General informs the Committee that that is laid down in section 167. I point out that the interpretation which the Attorney-General has put on section 167 in connecting it with section 163 is altogether beside the mark. The honorable and learned senator has read something into the section which it does not contain, whilst the words of the section cannot bear the construction which has been put on them. A dispute in this case commences when an importer objects to the interpretation of the law by the Customs officials. As the Attorney-General has said, there are two courses open to him. He can put down a deposit, and section 167 deals only with the case of a man who does put down a deposit when a dispute arises. The section provides—

> If any dispute shall arise as to the amount or rate of duty or liability of goods to duty, the owner may deposit with the collector the amount of duty demanded, and thereupon the following consequences shall ensue:—The deposit shall be deemed the proper duty unless, by action commenced by the owner against the collector within six months after making the deposit, the contrary shall be determined.

The plain words of the section are, that the deposit shall be deemed to be the proper duty, unless, as the result of an action, the contrary is determined. The Attorney-General took these words, "the contrary shall be determined," out of section 167, and connected them with section 163, which provides that a rebate or remission of duty, as the case may require, shall be made in the manner prescribed. I contend that the prescription is clearly laid down in the section to which I have referred.

Senator DRAKE.—No; "prescribed" there means prescribed by regulation.

Senator TURLEY.—That is what I have been asking all the morning, and in reply the Attorney-General has read a number of regulations which are no more applicable to this discussion than they are to the rising of the tide.

Senator CLEMONS.—What the Attorney-General has pointed out is that the administration has been altered.

Senator TURLEY.—It is true that the classification has been altered, but the duty has been collected on this oil since the alteration of the classification, although it is perfectly clear from it that this commodity is free of duty. The words which the Attorney-General separated from their context in section 167 are rightly used in that section, and are governed by the preceding words of the same section. The Government realized that the departmental administration had been wrong, and that money had been collected from the public which the Department was not entitled to collect. The classification is altered, and a certain commodity is made free of duty; in spite of the alteration of the classification, the officers of the Department continue to collect duty on this

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article. In some instances the duty is paid under protest as a deposit, and under section 167 I contend that that deposit must be deemed to be the proper duty, unless, by action commenced by the owner against the Collector within six months after the deposit was made, the contrary shall be determined. That is the whole matter. The Attorney-General has attempted to connect the words "the contrary shall be determined" with the words of section 163. I submit that the law cannot bear the honorable and learned senator's interpretation. Where duty is paid under a protest in the form of a deposit the deposit under the law is deemed to be the proper duty, unless, as the result of an action commenced against the Government by the person concerned, the contrary is determined. It is nonsense to suggest that the contrary is determined if merely notice of such an action is given. That would be futile, and no one could hold that it would be in the interests of the Department, the revenue, or the public doing business with the Department. I contend that the administrative action taken by the Government in the issue of order No. 480, deciding that all money paid in the form of a deposit in connexion with this commodity should be refunded, was outside the direction of the law. The Government took the responsibility of that administrative action. There is nothing in the Act to prohibit them, but if they are entitled to take such action in the interests of certain persons who have made a deposit, they are equally entitled to take similar administrative action in the interests of persons who have paid duty which should not have been collected without protest, and paid it in good faith, believing that the law was being rightly administered by the officers of the Department. I have so far received no reply to that contention. I wish to get at the bottom of the matter, in order to discover how it is that the Government can deal in one way with one section of the community, and in a different way with another. The Attorney-General has said that he is sorry that statements of that kind should be made, because they amount to a charge of corruption. I do not believe they do. I merely make the statement that the Government have apparently felt themselves entitled to deal in a certain way by an administrative act with persons who understand the law. It appears that where people have been governed in their relations with the Department by an intention to do what they believe to be right, putting full confidence in the ability and integrity of the officers of the Department, the Government will not exercise the same powers of administration that they do in regard to other sections of the people. The reply which I have now succeeded in obtaining from the Government is not very definite. The Attorney-General said that the law prohibits any refund, but I contend that the law does nothing of the sort. I can only by inference conclude that the Government do not intend to refund this money, and that that determination has been come to simply because those people did not make a deposit. Is that the answer of the Government?

Senator Turley.

Senator DRAKE.—The honorable senator had the answer that the money cannot be legally refunded.

Senator TURLEY.—But it appears that money can be legally refunded to people who paid under deposit, although the law distinctly lays it down that unless an action is commenced the deposit shall be deemed to be the proper duty.

Senator DRAKE.—But if we are referring to the same case, an action was commenced, and a writ served.

Senator TURLEY.—The interpretation put on the law by the Government is very curious. It means that as soon as an action is commenced the "contrary shall be determined."

Senator DRAKE.—It means that the Department do not defend the action; a writ is issued and served, and the Department allows the matter to go by default.

Senator TURLEY.—That is the whole question. Immediately the writ is issued the Government admit they are wrong, and, on that admission, issue an order to all and sundry, who have paid money under similar circumstances, that they shall get a refund without bringing an action.

Senator DRAKE.—And then there was a fresh classification.

Senator TURLEY.—But the Department has been collecting money since that classification

Senator DRAKE.—How long ago?

Senator TURLEY.—It may have been in June, but I cannot exactly give the date.

Senator DRAKE.—The fresh classification was ordered in May, and from that time the oil has come in free. The duty must have been collected before May.

Senator TURLEY.—The Government gave way when this man in Victoria issued a writ.

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Senator Drake.—Apparently, that was the first time a writ had been issued.

Senator TURLEY.—I am not saying that that was not so.

Senator Trenwith.—Might the issue of the writ not lead to special and careful inquiry?

Senator TURLEY.—I contend that the section does not bear the interpretation placed upon it by the Attorney-General, who took the words "the contrary shall be determined" bodily out of section 167, and connected with it section 163, although the words have no business in the latter provision.

Senator Drake. — Even so, this was a case in which a duty had been paid through a patent misconception of the law.

Senator TURLEY.—That is what I am pointing out. Those people paid under a misconception of the law, although they vigorously protested, this being a free article. If, as pointed out, those words are to be bodily taken out of the one section and connected with the other, a refund can take place as an act of administration.

Senator Drake. -- "As prescribed," which means as prescribed by the Act according to the definition.

Senator TURLEY.—I contend that the words "the contrary shall be determined" are governed by previous words in the same section, which provide that the deposit shall be deemed to be the proper duty, unless an action is commenced within six months after making the deposit. According to the interpretation by the Attorney-General, if an action is commenced, the Government must immediately make a refund, although the action does not go on.

Senator Drake.--If the Government allow a case to go by default.

Senator TURLEY.—And though none of the others have commenced an action, the Government determined to make a refund to all in the same category. The persons whose case I am presenting have no chance to get their money back, simply because they were content to abide by the interpretation of the law by the officials.

Senator Lt.-Col. Gould.—And because they did not put in a written protest.

Senator TURLEY.—I am contending that the merchant who works with a lawyer at his elbow may be enabled to ruin his competitors, owing to the fact that he receives special and preferential treatment from the Department. When I asked the Attorney-General to cite any authority which prohibited the Government from dealing with this matter as one of administration, he replied, "Oh, no, it is not our place; the onus of proof is thrown on the man who has had money taken from him, and did not put in a protest—he must prove that the Government have power to pay him back." To take shelter behind such a technicality is absolutely unworthy of a gentleman of the reputation and ability of the Attorney-General. The honorable and learned senator said that the Department was at that time in a state of flux. It must be remembered, however, that there are always alterations being made in the Customs duties. But when an obvious and admitted mistake has been made, and there is no law or regulation prohibiting the matter being dealt with as a matter of administration, the proper course is for the Government to act fairly and justly between all classes. I take the answer of the Government to be that they do not intend to interfere with the present arrangement. I have been a long time getting that answer; and if I had had it before, it might have saved considerable time this morning. The fact is, the Government were simply a bit scared when they found that some one of importance was prepared to issue a writ. They thought it was better to come to a settlement than to fight out the question. An order was then issued which authorized a refund to be made not only to the person who had issued the writ, but to all persons who had paid the duty under protest in a similar manner. The reply is that the Government do not intend to refund the duty to those persons who, acting in all good faith, paid the money without a protest, under the interpretation and advice of the Customs officials. The only remedy which is now left to these persons is to issue a writ.

Senator Trenwith.—They cannot do that.

Senator TURLEY.—There is no provision in the law which prevents the Government from doing a fair thing by an administrative act.

Senator Drake.—We want authority to pay money out of the consolidated revenue.

Senator TURLEY.—Do not the Government get a large vote for making refunds of revenue?

Senator Drake.—To make payments according to law. We cannot pay £30,000 away at our own sweet will.

Senator TURLEY.—Where the claimant was in a position to bring an action the

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Government immediately parted with the money, and they will not take the slightest notice of the claims of those persons who paid without a protest, on the advice of the Customs officials. I have moved this request as a protest against that sort of thing. I shall endeavour to ascertain how many honorable senators are in favour of justice being dealt out, not only to the man who was in a position to bring an action at law, but to the man who, in all good faith, trusted to the fair and honest administration of the Department, and paid what he believed he was required to pay.

Senator DRAKE.—We have heard a good deal from Senator Pulsford about this being a case in which a big firm came forward and brought the Department to its bearings. I notice that subsequent speakers have inferred from his remarks that this is a case as between a big man and a small man. I do not know how much is involved in the case brought forward by Senator Turley. A writ for the recovery of £5 was issued by a person named Way Sing against the Collector of Customs, and it was served on the Department on the 12th March, 1904. That is the very big case which is referred to.

Senator PULSFORD.—I referred to the case of a Melbourne merchant named Markwald.

Senator TURLEY.—That is the name of the big man who came forward and got a refund.

Senator DRAKE.—I am told that there is only one case in which a writ has been issued, and a refund has been made.

Senator PULSFORD.—I think that Mr. Markwald put his goods into a bonded warehouse, and was allowed to take them out without paying duty.

Senator DRAKE.—If the honorable senator has any definite information on that point, he can give it to the Committee. In the case of Way Sing, the Crown Solicitor was consulted, and he advised the Government that it should not be contested, and on that advice a refund was ordered by the late Minister of Customs, Mr. Fisher, who said in his minute—

Let an amended departmental decision as to what constitutes China oil be published.

In consequence of that minute, which is dated the 7th May, 1904, there was a reclassification order, and China oil was classified as free, and from that time I presume that no duty has been collected. The Government then issued an order that in all cases in which the duty was paid, under protest, or under section 167 of the Act, a refund should be made. The Department contend that there is power in sections 163 and 167 of the Act to make the refunds under those circumstances; but in only one case has a claim been made for a refund under those conditions. What Senator Turley is really contending for is that because the Government refunded the duty in one case, everybody who for the last three years paid any duty on China oil, or on any article which was imported as China oil, is entitled to demand a refund. There is no provision in the Act to warrant a refund under those circumstances, and it would be exceedingly dangerous if there were; because it would mean that whenever an alteration was made in the classification of an article, reducing the rate of duty, every importer from the most remote time who had paid a higher rate would be entitled to a refund. It would make the Department very chary indeed about making any alteration, unless they were positively compelled to do so. The action of the Department is, I think, perfectly clear and reasonable. I do not see how any more could be done.

Senator TRENWITH (Victoria). — Senator Turley has laid enormous stress on his opinion that the Department treats persons who are in a strong position differently from those who are in a weak position. Apparently all through this case the Department has been confined entirely in its action by the law, as it should be. The Customs officers should have no discretion. Duties should be collected, and, when necessary, refunded under the conditions prescribed by law, else the greatest favoritism and jobbery would certainly creep in. The honorable senator says there is no provision in the law to prevent the Government from refunding this money as an administrative act. Clearly the law says that, in the event of money being collected under an impression which was subsequently departed from, and being paid without protest, the mere fact of payment does not entitle the importer to a refund. Clearly the officers of the Department cannot pay to other persons any money, which they may choose to claim.

Senator TURLEY.—And that section applies to everybody.

Senator TRENWITH.—No; the law goes on to place those persons who made a protest in the prescribed form in a position, under certain circumstances, to have the money legally refunded to them. In

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the event of an importer making a protest, and, if need be, commencing an action within six months of the time of protest, and the decision being in his favour either in a court of law or by default of the Department, the latter must refund the money which was deposited. Both processes are fixed by law, and it is not a question of whether the claimant is big or little, or whether the sum is large or small. It is possible to conceive of a very wealthy trader carrying an an extensive trade, paying without protest very large sums.

Senator TURLEY.—It is not probable, though.

Senator TRENWITH.—I do not know that it is not. There is no question of degree in this act of administration. It is merely a question of compliance or non-compliance with clearly defined law. The Customs Tariff embraces an enormous number of items, and when articles of commerce so nearly approximating each other appear under very different classifications, there must necessarily arise from time to time errors of judgment. If it were to be laid down as a principle that wherever there was a doubt, the importer should have the benefit of it, the revenue would suffer enormously. Therefore it is properly laid down as a principle that the duty of a tax collector is at all times to safeguard the revenue. It is an axiom that it is the duty of a citizen to know the law. It is a misfortune that the poor citizen is more frequently ignorant of the law than is the wealthy one.

Senator Sir JOSIAH SYMON.—That does not justify discrimination.

Senator TRENWITH.—That is a misfortune we cannot get over. The duty of the Customs Department is not to discriminate, but simply to administer the law as they know it. The man who gets a refund gets it in accordance with the law. The man who fails to get a refund fails in accordance with the law. If there is anything wrong in the administration of the Customs Department, it is not the present Government, or the Government which origially gave the decision in reference to this matter, but it is the Customs Act that is at fault. What I urge upon Senator Turley is that, supposing his contention were given effect to, justice would not be done, but very gross injustice, because the persons who have paid these duties which are now admitted to have been collected in error, have shifted the burden on to their customers.

Senator TURLEY. — Senator Pulsford stated that in this case that was an impossibility.

Senator TRENWITH.—I cannot conceive of a case where it is impossible for the importer to charge the duties on to his customers, if he is engaged in manufacturing. China oil is a raw material of manufacture. It is a material that cannot be produced in the Commonwealth, and must be imported. It is obvious that the duties must be added to the cost of production of the manufactured articles. The persons who have paid the duty are really the persons who have consumed the manufactured product. Therefore, the duty can be and is handed on to the consumer. But the persons who paid the duty to the Government are the only persons to whom a refund could be made, supposing there was a refund. The persons who have really borne the burden of the duty would, if there was a refund, have in addition to contribute their share to the refund. So long as there is a Tariff at all, whether it be a protectionist or a revenue Tariff, there must be mistakes. They will be discoverd as soon as possible, and when discovered the evil will not be continued. But it is impossible to remedy the evil that has occurred, because it is impossible to reach the persons who have really paid the duty. It may be in some instances that the exporter has paid the duty out of his profits, in order to get his goods into the country. It may be that the consumer who uses the manufactured article has paid the duty. But very rarely indeed is it the merchant who actually pays the duty in the ultimate. Therefore, it is impossible to pay the duty back to the persons who have really borne the burden. I urge Senator Turley not to press his request.

Senator TURLEY.—I never move an amendment upon which I do not call for a division.

Senator TRENWITH.—My honorable friend reminds me of a barrister in Court who, when an argument of a most potent character was being urged against his case, said, " It is of no use for my learned friend to use arguments of that sort, because I am determined not to be convinced by any argument." That is not a reasonable position. My honorable friend has argued for several hours, and seemed to hope that his several speeches would have an effect upon the opinions of honorable senators. He does not adopt a fair attitude if he says that

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under no circumstances will he change his opinion, although he has been endeavouring to change the opinions of others. Seeing the futility of the motion, I hope that he will not press it. We have had quite a number of extremely ridiculous divisions in this Chamber yesterday and to-day.

Senator GIVENS.—I rise to order. A few days ago the President ruled me out of order, because I was passing reflections o the Committee. Is Senator Trenwith in order in saying, in the sermon which he is preaching, that the divisions which we have taken were ridiculous?

Senator PULSFORD.—In New South Wales there is a rule that it is quite in order to describe a call for a division as "frivolous and vexatious." That, I suppose, is what Senator Trenwith means?

Senator TRENWITH.—On the point of order, I wish to say that I should be sorry to describe anything that the Committee did as ridiculous. But a division may be forced upon the Committee, not by the whole body of honorable senators, but by a section. What I wished to say was that these divisions were futile, and therefore ridiculous. I would not speak of the action of honorable senators as a whole as ridiculous. I do not believe that the decisions of the Committee, in reference to the divisions to which I referred, were ridiculous. I think they were extremely wise. But it was the minority to which I referred.

Senator TURLEY.—We now have it laid down by Senator Trenwith that any action that is taken by honorable senators who move amendments, which they have a per fect right to move, is ridiculous if they are not successful. That is a very peculiar doctrine. It is the first time I have ever known the action of a minority to be characterized as necessarily ridiculous. Whenever a minority in any parliamentary as sembly takes action, if they have not th requisite numbers to enforce the opinio which they hold, their action is ridiculous!

Senator MCGREGOR.—That is straining the argument.

Senator TURLEY.—That is the only inference that can be drawn. The honorable senator stated that quite a number of divisions had been taken which were ridiculous. That is a matter of opinion about which I say nothing. But when he goes further and says that if divisions are futile they are therefore ridiculous, I contend that the inference is that every action of any minority, because they are unsuccessful, is futile and ridiculous.

The CHAIRMAN.—I did not catch the exact terms which Senator Trenwith employed, but I understand that he described certain divisions taken in Committee as ridiculous. Under standing order 404, no honorable senator is permitted to make personal reflections on any senator, and if any honorable senator thinks that the statement that ridiculous divisions have been taken casts a reflection upon him, I must ask Senator Trenwith to withdraw the remark.

Senator TRENWITH.—Most assuredly; I had no intention to cast any reflection upon any honorable senator. I will not repeat even the declaration that the divisions were ridiculous. But they did occupy a great deal of time, which it was obvious could lead to no result. To insist upon divisions which it is clear can lead to no result is the kind of futility to which I referred. I do not think such divisions conduce to the advancement of public business. I do not say that the matter should not be discussed.

The CHAIRMAN.—Has that any relation to the subject under discussion?

Senator TRENWITH.—No, except as an argument why this amendment should not be proceeded with because no result can come of it. This subject has occupied nearly the whole of to-day. It has been threshed out from every possible point of view. It is obvious that there is a majority against the view which Senator Turley holds. Therefore I took the liberty to urge him not to press his motion to a division. But he says that he is not one who moves motions with the intention of withdrawing them afterwards. I venture to say that that is not a proper attitude to take up with reference to honorable senators. It is not proper for an honorable senator to induce us to discuss questions at length, and then to say that no amount of argument, no production of facts, and no evidence against the opinion which he holds will change his view, and that he will stick to it however impracticable and however stupid it may be.

Senator Sir JOSIAH SYMON.—I hope that the discussion will now end. I know the deep interest that Senator Turley has taken in this question, but we have had a very full discussion, and I hope that my honorable friend will not now discuss the collateral matter which has been raised.

Senator TURLEY (Queensland).—I had intended to take a division at once. My object was to obtain a distinct expression of opinion from the Government. I have

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obtained that opinion. They state that they do not intend to do anything in this matter. But I was asked to withdraw my motion, and have been told that I am not at all complimentary to honorable senators in pressing the matter to a division. Although I believe that I am right, and have no reason to believe that there is a majority of honorable senators against me, I am told that I am acting in a stupid manner, because I do not withdraw. I do not usually act so stupidly as that. Senator Trenwith may consider that any honorable senator, who thinks he has a good case, and wishes to test the feeling of the Committee, is wrong because he does not choose to withdraw when he is requested to do so. If his opinion is that my action on this occasion is simply an exhibition of stupidity, he is quite welcome to it. I have had no evidence that a majority of the members of the Committee are prepared to vote against my motion. So far only the Attorney-General, the Vice-President of the Executive Council, Senator Trenwith, and Senator Pulsford have expressed any opinion adverse to it. Senator Pulsford did not go into the matter, and I am therefore asked to recognise that two official members of the Senate, with Senator Trenwith, possess the whole of the brains and intelligence of the Committee, and that other honorable senators should not be allowed to express an opinion on this question by a vote. I decline to accept any such suggestion. If Senators Stewart, Givens, and I arrogated to ourselves such a position as Senator Trenwith claims for himself and his friends, I should like to know what would be said by honorable senators opposite. I have submitted a case to the Committee, which, in my opinion, deserves reasonable consideration. It is not my practice to speak merely for the purpose of wasting time. If a majority of the members of the Committee inform me that they are opposed to me in this matter, I might feel justified in withdrawing my motion, but I shall not do so because, in the opinion of one or two, I have not submitted a reasonable case for consideration.

Question—That the House of Representatives be requested to reduce division 37, "Queensland, £51,934," by £1—put. The Committee divided.

Ayes	5
Noes	19
Majority	14

AYES.

Croft, J. W.	Turley, H.
Higgs, W. G.	*Teller:*
Pearce, G. F.	Givens, T.

NOES.

Baker, Sir R. C.	Playford, T.
Dobson, H.	Pulsford, E.
Drake J. G.	Smith, M. S. C.
Gould, A. J.	Story, W. H.
Gray, J. P.	Styles, J.
Henderson, G.	Symon, Sir J. H.
Keating, J. H.	Trenwith, W. A.
McGregor, G.	Walker, J. T.
Mulcahy, E.	*Teller:*
Neild, J. C.	Clemons, J. S.

Question so resolved in the negative.

Request negatived.

Senator GIVENS (Queensland). — On the second reading of the Bill, I directed the attention of the Government to certain appointments which have been made in Queensland of officials intrusted with the administration of Commonwealth legislation, governing the employment of white and coloured labour on the sugar plantations. I have contended that it is quite unreasonable to expect faithful administration of the Sugar Bounties Act if it is placed in the hands of actual enemies of the White Australia policy. I do not propose to move any request for a reduction in the vote, nor do I propose to discuss the question at length. I do not blame the present, any more than previous Governments, for the appointments to which I refer. My complaint is that the officer at the head of the Customs Department in Queensland is allowed to make these appointments at his own sweet will, and without Ministerial supervision. In my opinion, it is the duty of Ministers to see that their subordinate officers in the various States carry out the spirit and intention of the law. The spirit and intention of the Sugar Bounties Act is to encourage the growth of sugar by white labour by every possible means, and yet the head of the Customs Department in Queensland, instead of appointing officers in sympathy with the Commonwealth legislation on this subject to administer the law, has appointed men who are totally opposed to the spirit of our legislation, and actual enemies of the ideals which form the basis of that legislation. If a squatter, owning a station, arrives at the conclusion that it will pay him better to use it as a sheep station rather than as a cattle station, do honorable senators believe that he would intrust its management to a man who was totally opposed to that

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idea, and determined to prove it a failure? They know that he would not do anything of the kind, and if that principle is good as applied to private business it should be equally good as applied to public business. I wish now merely to direct the attention of the Government to this matter, with a view to induce them to see whether some more satisfactory method cannot be devised for making these appointments.

Senator Sir JOSIAH SYMON. — The honorable senator has made very clear, not exactly his complaint, but the real matter to which he desires to direct the attention of the Government. I can assure him, in response to his inquiry, that so far as the Government are concerned, every care will be taken to see that officers intrusted with the administration of the law shall administer it as it ought to be administered, whether they agree with it or not.

Senator GIVENS. — To insure that the officers charged with its administration must be in sympathy with the law.

DEPARTMENT OF DEFENCE.

Divisions 41 to 183, £592,127.

Senator DOBSON (Tasmania). — The time has now arrived when honorable senators who care to do so can criticize the policy of Ministers, and their administration in regard to defence matters. In accordance with the notification which I gave a week since, I wish to say a word on the subject of the compulsory military training of youths. I should like to explain why I have not spoken on the subject before. Some months ago I gave notice of an abstract motion advocating the principle of the compulsory military training of youths. That was when the Senate met on the Wednesday in each week, and adjourned for a week at a time, and there was never more than one-half the members of the Senate present. I did not therefore care to go on with the matter. It then struck me that the submission of an abstract motion was not a practical way in which to deal with so important a question. I therefore formulated the idea of changing the motion into one for the appointment of a Select Committee to inquire into the subject. I then saw my friend Senator Dawson, who was Minister of Defence in the Watson Administration, and I had to wait a few weeks to learn from him whether the Government of which he was a member would support the appointment of such a Select Committee. We all remember the exciting time which the Watson Administration had in connexion with the Conciliation and Arbitration Bill, and the events that ultimately led to their retirement from office. I had then to wait for a week or two until Lt.-Col. McCay got fairly into the saddle. I waited upon that honorable and learned gentleman to ask him whether the Reid-McLean Administration would support my motion for the appointment of a Select Committee to consider this question. I called three times on the Minister of Defence, but, after waiting some five or six weeks, I received no answer. The Minister's scheme was then submitted to Parliament, but I find in it no allusion to compulsory drill. I found afterwards that the Minister had not read my papers, nor had he mentioned the matter to the Cabinet; and I must confess that I was disappointed. though, at the same time, I know the enormous amount of work the Minister has to do, and, therefore, I do not complain—I merely express my disappointment. I then saw the Prime Minister, and asked him if he would undertake to bring this important matter before the Premiers' Conference, shortly to be held at Hobart. The right honorable gentleman made one or two very excellent suggestions, but said he could not give me any definite promise that the matter would be brought before that Conference. Those facts explain the cause of my delay, and, under the circumstances, it appears to me that no Minister of Defence, and no set of Ministers, regard this matter as so important as I do, or as important, I may say, as do most of the leading military men in the world. I therefore make no excuse for saying a few words this afternoon, in trying, if I can, to induce Ministers, and honorable senators on all sides of the Chamber, to regard this matter of the compulsory training of our youth as lying at the very foundation of any scheme worth talking about for the defence of the Commonwealth. I submit, with all deference, that the present scheme of defence has no foundation on which we can ever build up a force which will be a credit to the Commonwealth. I am inclined to compare the scheme to a bucket without a bottom, for that is certainly what it will be found to be in days to come, unless some system of compulsory military service or training is adopted. Shortly after I commenced to take an active interest in this question, I received a communication from the secretary

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of the National Service League of Great Britain, expressing his pleasure that it had been brought under the notice of this Senate, and his hope that the movement which had been initiated would be kept alive. I replied to that letter, telling the secretary that, so far as I was concerned, the interest taken in the question would not be allowed to flag, and asking him to send me copies of the magazines, the enormous number of leaflets, and other literature, issued by the League. I have been furnished with some very useful documents, and the few quotations I propose to make will show the vast importance of the subject. The principle advocated by the National Service League is that of universal military training, and the objects aimed at by such training are:—

A. To bring home to the people, through individual training and sacrifice, a sense of the duties and responsibilities of citizenship;

B. To counteract the physical and moral degeneracy attendant upon industrial life in crowded cities;

C. To provide that a nation trained to arms should constitute a great reserve to support the Army and Navy, and to guarantee the security of the British Islands;

D. To prevent the possibility of raid or invasion, the true basis of national safety being that the defence of the country is the affair of its citizens, and of them alone.

The practical suggestions of the League are—

1. Physical training on scientific principles and Military drill should be made compulsory as part of the educational course in all schools.

2. Between the ages of eighteen and twenty-two every youth, not enlisted in the Regular Army or Navy, or serving in the Mercantile Marine, or joining some branch of the Auxiliary Forces in which the standard of training shall be higher than that proposed, should be liable for training as below.

There is then pointed out the training that should be imposed on the youths. There are many ways of commencing, and carrying out a scheme of the sort proposed. One is to commence, as I propose, with youths ranging from 12 or 14 up to 18 or 19 years of age. I hope that honorable senators will not confuse the compulsory training of our youths with what is called compulsory service or conscription. What I propose is that we should take in hand the youths who are being educated in other ways and get hold of them before they arrive at manhood, and are involved in commercial or professional duties. The compulsory military training of such youths would not involve very much interference with their ordinary educational course. One of the magazines which I have here refers in very laudatory terms to the debate which took place in another place, when Mr. Hughes submitted his motion in favour, not of the training of youths, but of compulsory service. If I had my way, I certainly should impose compulsory service on this Commonwealth, and I should do so without the slightest hesitation. But if we cannot impose compulsory training on men between the ages of 18, and 22 or 23 years of age, we must fall back on the compulsory training of our youths, if we desire to have what we call a citizen army in time to come. We have in the Commonwealth, cadet corps, and the Minister of Defence, in his scheme, proposes to bring the question of their organization before the Conference of Premiers in February. I contend, however, that cadet corps are simply a means of playing with a very important subject. In the very useful report, so far as it goes, of the Commission which was appointed to inquire into the question of making the cadet corps more useful, I find the following:—

Estimate for cadets when developed.—Number of cadets 22,956, costing £13,606 for allowances, other expenses and officers, bringing up the amount to £30,700. Of this, £20,000 is required for the year 1904-5; to this must be added:—Arms, £21,000; equipment, £3,000—total £24,000, or £8,000 per annum, spread over three years, so that £28,000 is required for the first year.

At the present time there are 8,661 junior cadets, and 561 senior cadets in all the States of the Commonwealth, including those under the military system, and those attached to our State schools. If we turn to the statistics of our population, we find that, when the last census was taken on the 31st March, 1901, the youths between 15 and 20 years of age numbered as follows in the various States:—New South Wales, 70,423; Victoria, 58,882; Queensland, 23,684; South Australia, 20,007; Western Australia, 7,088; and Tasmania, 9,388; or a total of 189,472. But, on looking further at the census figures, I find that the youths between 10 and 15 years of age numbered 218,308; of youths between 12 years of age and 18 and 19 years of age, we have about 200,000; and if we eliminate 50,000 for boys who are ill, unfit, who are away, or who cannot be reached, it is fair to assume that there are about 150,000, every one of whom ought to receive both military and physical drill, and certainly ought to be taught the art of

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shooting. To take a practical view of the question, let us come to the matter of cost. Arms have to be obtained, and a system has to be started. But, as pointed out by the Commission on the cadet system, there is no occasion to incur the total expense in the first, or the second, or even in the third year. I take it that, to carry on the compulsory training of youths would, when the system was in full force, require an expenditure of from £100,000 to £150,000 per annum. There is no reason, however, why we should not commence next year with an expenditure of £30,000 or £40.000, which could be increased in the following year by another £20,000. The cost would depend on the number of arms, and, almost entirely, on the system inaugurated. I am told that the system reported on by the Royal Commission is rather extravagant. According to that report, each junior is to get an allowance of 10s. per year, and each senior an allowance of £1 per year, as uniform and orderly-room expenses, while an officer commanding is to receive £20; a battalion commander, £10; and adjutants, captains, and lieutenants, £7 10s., £5, and £3 respectively. I am informed by a military man that, although those expenses may seem very moderate, they are rather extravagant. The principle underlying the system which I advocate is that we have a right to call on the youths of the Commonwealth to train themselves in the art of defence just as we have the right to compel them to go to school and learn to read and write. I also think that in return for all the services which the State renders to the parents of the youths, as well as to the youths themselves, we might in many cases prescribe that the parents shall provide the uniforms which may be necessary. I desire the Defence Force of the Commonwealth to be in all senses of the word a citizen force—that every soldier shall be a citizen, and every citizen a soldier. If we enter on the work of organization in an economical way, and have regard to the duty which all men owe to the State, we can carry out such a scheme practically, economically, and efficiently. I undertake to say that any Committee which may be appointed to inquire into the matter will find that what I have outlined can be accomplished, and they will also find that it is the almost unanimous opinion of thoughtful military men in the United Kingdom, that it is the only system that can, with due regard to the adequacy and efficiency of the military defences, be adopted. Writers in the leading English newspapers regard such a system as the only alternative to conscription or to compulsory military service. I should now like to give only a few quotations from the opinions of military men who are in favour of the scheme. Lieutenant-General Sir T. Kelly-Kenny, K.C.B., says:—

There is nothing to be done but conscription or the ballot; we must do either the one or the other.

Field-Marshal Earl Roberts, K. G., says—

If employers of labour will not help, some kind of compulsory service will, I imagine, have to be adopted.

Field-Marshal Viscount Wolseley, K.P., says—

I think myself the time has come for some compulsion being put upon the people to train in a military sense.

Lieutentant-General Sir John French, K.C.B., says—

I am greatly in favour of it (universal service).

Major-General H. Hallam Parr, C.B., says—

Without the ballot all this is useless, and the time has come to admit that unless the country will again accept the old law of compulsory service military experts must throw up their hands in despair.

Major-General Sir John Ardagh, K.C.M.G., says—

I suppose we may come to the ballot some time or other.

Mr. Alexander Duff (General Manager of Lloyd's Bank), says—

Honestly, if you ask me for a solution of that, the only solution I know is universal service.

Mr. T. E. Vickers (Vickers, Sons, and Maxim, Limited), says—

Speaking for my company, we should not make any outcry (against compulsory service).

Mr. Woodman Burbidge (General Manager of Harrod's Stores), says—

I do not think they would resent it (compulsory service); I think it would be to their benefit.

Colonel W. C. Horsley, V.D., says—

In other words, it would be a direct form of compulsion for service of some kind throughout the country. I think that is only fair.

Colonel E. H. Baily, V.D., says—

Speaking here as an Englishman, I should like to see everybody compelled to learn how to serve his country in some form or another.

Colonel H. A. Erskine, V.D., says—

My idea is decidedly that some compulsion is necessary.

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Colonel F. Haworth, V.D., says—

I do not think that they recognise that they ought to take their share in the defence of the country. I should like to see the Militia ballot put in force, personally.

Lieutentant-Colonel E. Pryce-Jones, M.P. (Volunteers), says—

I am strongly in favour of compulsion.

Colonel H. H. Stewart (Militia), says—

The Militia ballot could be applied in Ireland, and would, I think, be an extremely good thing for the country.

Colonel Lord Raglan (Militia), says—

I think it has come to that (compulsion).

Colonel W. G. Lowther (Militia), says—

You cannot fill up without (compulsion).

Lieutenant-Colonel Lord Castletown, C.M.G. (Militia), says—

I have always held that everybody ought to be made to serve compulsorily.

Lieutenant-General Lord Methuen, G.C.B., says—

I cannot solve the problem unless the Government enforce the ballot for the Militia.

Field-Marshal Sir Evelyn Wood, G.C.B., says—

The time has come for instituting throughout the Empire a military system of "Universal Service for Home (National) Defence," and the mother country should set the example.

Major-General Sir H. Hildyard, K.C.B., says—

The enforcement of the Militia ballot seems indispensable if universal service for the home defence is to be averted.

These men would hardly speak in that way unless, as I say, the matter were one of vast importance. Considering that we are not contributing our proper share to the naval defence of the Empire, and seeing that what we ought to do is to take care that our land forces are in perfect order, and that we drill and make use of the raw material we have, it seems to me that a system of compulsory training is most admirably suited for the Commonwealth. It was only the other day that Lord Roberts in South Africa was reported thus—

Lord Roberts expressed his gratification at the progress of the cadet movement. In preparation for war lay safety and the preservation of peace. The best thing for the Colonies and Great Britain was the recognition of the possibilities of the rising generation.

Then the Secretary of the National Service League contributes a paragraph which is well worth reading—

Let us beat about the bush as we will, let us wriggle and writhe, let Ministers delude an apathetic public with fantastic figures of the cost of any scheme of universal military training, let the elector be told with piteous, or pitiable, insistence that "they will not stand it"; the truth, nevertheless, stares us in the face, and he who runs may read—that, if the Empire is to stand, the people will have to stand the sacrifice of a short period of their early manhood, given to training themselves to the noblest task a citizen can be called upon to perform, the defence of his country.

One objection to anything of that kind is that the freedom of the Anglo-Saxon race would not stand it, because it is contrary to the genius of the English-speaking people. But every writer—and I could produce scores of quotations—will tell us in a sentence that that is all bunkum, that it is absolutely opposed to the history of our nation. Article after article points out how England has attained its present position by compulsory service, and by that only. It has been done by the press-gang, as well as by guns and bayonets. In the time of King Alfred it was necessary for everybody to take part in the defence of the country. After the Restoration the law was that if a man had £6,000 in property, or an income of £500 a year, he had to provide a horseman properly equipped; but, that if a man had an income of only £50 a year, or only £500 worth of property, he had to provide a pikeman. As some of the military men point out, under the ballot system in the militia force, the compulsory principle is in force in England. When they speak about enforcing the ballot system, that is to some extent compulsion on those who draw the lot, and are liable for service. It is perfectly certain that this scheme can only be properly and efficiently launched in harmony with the States. I can quite understand my honorable friend, Lt.-Col. McCay, desiring to bring before the Premiers how his cadet system is to be carried out. But I implore him to drop a cadet system which is purely voluntary, and to discuss with the Premiers whether we cannot start on a larger scale some system for the compulsory training of our youth. It could be done in all large towns without the slightest trouble. In outlying districts there might be a little trouble. But the trouble in teaching the lads their drill would be compensated for by the freer use which they could make of their rifles. They would have a better physique. They would make some of the most splendid mounted troops in the world. I am under the impression that it is the duty of the Commonwealth to have for service abroad at least 25,000 men efficiently trained, and fit to

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go into the field. A time will come when that necessity will be acknowledged. A time will come when we shall be engaged in a much greater war than the Boer war, and we may have to do five times as much as we then did, if ever England is engaged in a large European war, and has to fight for her very existence. To have 150,000 youths, physically capable, who are not compelled to undergo the training necessary to fit them to defend their country, and to be content with 8,000 cadets, seems to me to be a very foolish way of inaugurating a defence system for this great Commonwealth. Many boys take to the cadet system merely because they like to wear the uniform and to march through the streets to the music of the fife and drum band. But we do not get hold of the boys we want to train. They are not the State school boys, but the boys who play about night after night in the streets of our large cities, and who would make the most useful soldiers. So long as we confine our compulsory training to the cadet movement we shall get only the better class boys, who can afford to buy their uniforms and rifles, and like to play at soldiers. I wish to get hold of every healthy boy, whether he be a street boy or a college boy. I wish the Senate to acknowledge that, just as the State teaches and compels boys to learn how to read and write, lest their ignorance should be a danger to the community, so it ought above all things to teach them the art of self-defence, lest their ignorance should become a danger to the community. We have only to take a glance at the report of the Commission which was appointed to inquire into the results and the defects of our military organization during the Boer war, to learn how necessary that training is. Out of the many of the drafts of militia, yeomen, and volunteers which were sent from London, a great number had to be drilled for four or five weeks, day and night. Some men had to be put on the horse, and almost taught how to saddle it, before they were fit to go into the field. Is that creditable to our nation? Is it not just like old England, trusting to her grit, energy, and pluck to muddle through? I believe that the nation which most efficiently organizes in arms or industry or politics will come out on top. Are we going to neglect organization for the youth of the Commonwealth, and yet think that we have a perfect system of defence? I hope that the Prime Minister and the Premiers will not be prevented taking action by the consideration of expense. I believe that there is not enough money voted for the equipment of our military forces either in arms or in accoutrements. I understand that some officers make out their estimates according to their knowledge of politics. If they want £600,000, they ask for £900,000, and probably, when the Minister and the Secretary have cut down the estimates, and the Treasurer has had another cut at them, they will get what they want. But I understand that the late General Officer Commanding sent in his estimates conscientiously prepared with due regard to the wish of Parliament, to save every shilling that it could. He simply asked for what was necessary, and when £160,000 was knocked off, I believe that it crippled the Defence system. If you ask any officer you meet in the street, he will tell you—if he will talk at all—that at this moment money is required for both arms and accoutrements.

Senator STANIFORTH SMITH.—Does not the honorable senator think that we are spending enough on our internal forces?

Senator DOBSON.—If my honorable friend were worth £1,000, and I offered £800 for him, he would not think that that was enough.

Senator STANIFORTH SMITH.—I think I am worth more than £1,000.

Senator DOBSON.—If our Defence system requires so much money, it must be voted. If we take the military men at the disposal of Great Britain, both in time of war and in time of peace, we shall find that they are but a handful compared with Russia's 3,500,000, Germany's 3,500,000, France's 3,000,000, Austria's 2,000,000, and Italy's nearly 2,000,000. The National Service League points out that if we had a system for the compulsory training of our youth between the ages of 18 and 21, we should have a militia of 2,000,000, who in time of danger could be called out, and would be ready for the field in two or three weeks, owing to their training. I desire to read a few more quotations before I resume my seat. Sir George Goldie says:—

> This particular defect (the lack of a system of national military education) in our military organization has cost the country no less than a hundred millions sterling; that it was a principal indirect course of the outbreak of war; that for some months it left the United Kingdom practically denuded of trained soldiers; and that it produced the most perilous international situation in which the Empire has found itself since

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the days of Napoleon. Only an extraordinary combination of fortunate circumstances, external and internal, saved the Empire during the early months of 1900, and there is no reason to expect a repetition of such fortune if, as appears probable, the next national emergency finds us still discussing our preparation.

Another authority says:—

Military or naval training should be made compulsory for every able-bodied youth between fourteen and nineteen, as a branch of, or as a continuation of ordinary education. In working out the details the line of existing educational machinery should be closely followed. Military training would rank as an additional branch beside elementary, secondary, and technical education, being most nearly allied, by its compulsory character, to elementary education.

When Lord Wolseley was written to by the League, he said:—

I am much flattered by the suggestion that I should write an article dealing with the objects of the National Service League. I regret, however, that I cannot do so at present, as all my spare time is fully occupied with other work. But in a book of personal memories recently published, I stated very plainly my views upon what I conceive to be the absolute necessity of enforcing compulsory military or naval service, in some form or other, upon all classes in the United Kingdom. The National Service League can make use of those statements in support of its proposals.

One more quotation, and I have finished. Major-General Sir A. Turner says—

At the same time, I am also convinced that drill and military exercises should be compulsory in all schools up to the age of eighteen. I look upon this early training as essential for the country, not merely for the training of armies, but for the general physique of the nation. Cadet corps and boys' brigades are of the greatest possible use in this respect, but they do not altogether fulfil the purpose that early training would do, as recommended so strongly by Sir G. Taubman Goldie in the report of the South African War Commission. I entirely agree with Lord Methuen, Sir John French, and Sir Henry Hildyard as to the training of boys, and, finally, with Lord Wolseley, that it is advisable to spend more money on cadet battalions, which are most valuable adjuncts to the Army.

In conclusion, I should like my honorable friend Senator Drake to give some assurance, if he can, that this matter will be taken into consideration at the Conference of Premiers, to be held next month. I think it is only right that that should be done. I believe that great good will come from a discussion of the subject by the Conference. It would be a great mistake to postpone the matter for eighteen months, until there is another Conference of Premiers.

Senator O'KEEFE (Tasmania).—I regret that I have to intervene at this stage, because I know there is a general desire to get through business. But certain circumstances have prevented me from having anything to say upon the Appropriation Bill up to the present. Like others, I desired to have an opportunity to make some criticism with regard to certain items. However, my chance is gone. But I do wish to take the opportunity to indorse very heartily what has been said by Senator Dobson as to the absolute necessity for inaugurating some system of training the youths of Australia, so that they may be able, if called upon, to defend their country. I look upon it as most essential in connexion with the defences of Australia that we shall, as far as our powers will permit, act in conjunction with the States, in order to carry out some system of training our youths, especially in the art of rifle shooting. It is generally desired by Australian people that we shall rely for our defence upon our citizen soldiery, and our system is a farce if our citizen soldiers cannot hit a haystack at a hundred yards. I am afraid that that is what a number of them cannot do now. I do not think that any one will accuse me of militarism. I do not believe in that rampant spirit which some people encourage. But the very groundwork of the defences of this country must rest upon our youths; and unless we set to work early and initiate some system of training, not only in respect to night drills, but in the most essential part of training, the use of the rifle, we shall never have an efficient citizen soldiery system. This is undoubtedly one of the most important matters that the Minister of Defence can take into consideration. I earnestly hope that some arrangement will be come to with the States Governments which will enable a system of this kind to be initiated, so that our youths may receive proper military training, and especially proper instruction, in the art of rifle shooting. I felt that it was incumbent upon me to express my opinions in regard to this matter. Senator Dobson has taken a very deep interest in it. Twelve months ago I supported his contention just as strongly as I do now. I hope that the Minister of Defence will see his way clear to give special attention to it, and that he will impress the importance of it upon the Premiers of the States.

Senator Lt.-Col. NEILD (New South Wales).—I cannot sit still and hear the Defence Forces of Australia defamed as they have been by the honorable senator who has just sat down. I heard him say that half the members of the Defence Forces of

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this country could not hit a haystack at a hundred yards. That is what I call defamation.

Senator O'KEEFE.—Then we will say a third of them; a very large number of them cannot, at any rate.

Senator GIVENS.—What about Senator Neild's defamation of our Defence Forces in an article published some time ago in a magazine in the old country?

Senator Lt.-Col. NEILD.—I did not defame them. Senator O'Keefe cannot know very much about the musketry training of our troops.

Senator O'KEEFE.—Does the honorable senator say that a majority of them are efficient rifle shots?

Senator Lt.-Col. NEILD.—It depends on what the honorable senator means by "efficient rifle shots." It is certainly untrue to say that a majority of them could not hit a haystack at a hundred yards.

Senator O'KEEFE.—That was a figure of speech.

Senator Lt.-Col. NEILD.—It may have been a figure of speech, but it is not true.

Senator O'KEEFE.—Could they hit a man at a hundred yards?

Senator Lt.-Col. NEILD.—I do not think that the honorable senator would like to stand in front of them when they were firing.

Senator O'KEEFE.—I should not mind standing in front of Senator Neild.

Senator Lt.-Col. NEILD.—It is quite safe for the honorable senator to say that, because I certainly should not be guilty of any attempt at homicide, or at killing a pet lamb. I rose, not to refute the honorable senator's statement, but to take exception to it. It was not worth refuting. As to Senator Dobson's scheme, I am certainly in favour of training the youths of the country, and I hope that the Premiers will take the subject into their consideration at the coming Conference. At the same time, I do not know that I am prepared to adopt any particular attitude on the subject to-day. If it is desired that there should be an expression of opinion to the effect that there should be compulsory training of boys, while the people who have votes are not subjected to similar compulsory service, I am not prepared to take up that attitude. While the service is voluntary for voters, let it be voluntary for non-voters. That is fair. Why should a man who will not be a voter for a few months, or for a year or two, be compelled to give his services to the country when we do not compel any one else to give his services? I do not agree with that contention. The experience of New South Wales is that youths are only too willing to give their services; but it has been one of the blots on our system in that State that there has been a gap between the age of 14, when boys left the Cadet Force, and the age when they were eligible for enrolment in the Defence Forces proper. The consequence was that many of them lost their enthusiasm in military matters before they were eligible to undertake the higher duty of participating in the regular defence of the country. I thoroughly agree with Senator Dobson as to the desirableness of training our youths so as to make them fit to enter the Defence Forces, and to that extent I willingly give my indorsement to his opinions, and join in his wish that the Premiers will take the matter into consideration at the ensuing Conference.

Senator DRAKE.—I can assure Senator Dobson of the fact that the Government are thoroughly impressed with the importance of this subject, and I shall have much pleasure in drawing the attention of my colleague, the Minister of Defence, to the facts that the honorable and learned senator has collected since this matter was last discussed. The importance of it cannot be over-estimated. But, as I have said before, Senator Dobson must recognise that one of the difficulties in dealing with the matter is that the compulsory training of boys out of school can only be carried on in conjunction with the States authorities. No doubt it is an appropriate subject to be discussed by the Premiers' Conference. Of course I am not able to say what will be discussed, because the list of subjects must be entirely under the control of the members of that Conference. I can, however, assure Senator Dobson that whether the subject is considered by the Conference or not—personally I hope it will be—it will not be lost sight of by the Government during the recess.

Senator GIVENS (Queensland).—I rise only for the purpose of pointing out that, whereas Senator Neild accuses Senator O'Keefe of having defamed the Defence Forces of Australia, he seems to have forgotten that he himself has not only defamed them, but has heaped ridicule upon them, not merely in the Commonwealth, but in an article published in a journal which circulates throughout the Empire, and especially in Great Britain. Senator O'Keefe did not defame the Defence Forces in any

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way. He merely deplored the fact that the majority of our citizen soldiers were not efficient rifle shots. In doing so, he used a metaphorical figure which is employed every day in colloquial language. He said that many of them "could not hit a haystack." Every one knows that that is a mere figure of speech. Moreover, it is a notorious fact that the Defence Forces of Australia are not as efficient in rifle shooting as we should like them to be. If Senator Neild denies that he himself has defamed the Defence Forces of Australia, I should like to point out that not only has he done so, but that he has absolutely ridiculed them.

Senator Lt.-Col. Neild.—What bosh!

Senator GIVENS.—The honorable senator's remarks will not bear any other construction. I am prepared to read his words.

Senator Drake.—I should like to ask whether these remarks are in order? They cannot refer to any vote upon the Estimates, nor are they a criticism of the administration of the Government.

The CHAIRMAN.—Standing order 400 enables an honorable senator to read an extract if he wishes to do so from the *Hansard* report of the debates during the present session. I understood that that was what Senator Givens was about to do; and that the question concerns the efficiency of the Military Forces.

Senator GIVENS.—And it is in reply to a charge made by a supporter of the Government against an honorable senator on this side. It comes with a very ill-grace from the Vice-President of the Executive Council to try to shield one of his supporters who has made a reckless charge against an honorable senator on this side.

Senator Drake.—I am merely trying to keep the debate within bounds.

Senator GIVENS.—That is not part of the duty of the Vice-President of the Executive Council. That is the duty of the Chairman, and as the Chairman has ruled that I am in order, I shall proceed. Senator Neild wrote as follows:—

The people of Australia have now an ingrained belief that an Australian astride of anything with four legs, if possessed with a rifle, and a pillow case full of cartridges, is a match for an indefinite number of the best trained soldiers of any nation under heaven. That unhappy mania is shared and propagated by members of Parliament and Ministers of the Crown. The late Minister of Defence, Sir John Forrest, G.C.M.G., recently declared in Parliament that if he had not rifles enough for the Forces he would "arm them with pick-axes or something"; and the present Minister states that should England become involved in the Eastern War, he intends to raise the number of rifle club members from 25,000 to 50,000, though well knowing there are not rifles available for even the existing regiments if extended to their war establishments. The Minister apparently prefers undisciplined, unorganized mobs with rifles of every possible pattern, but minus ammunition and destitute of officers, to drilled, disciplined, armed, and officered soldiers. With such ideas permeating the community, what prospect is there of Australia developing a sound system of military, let alone naval, defence.

Senator Lt.-Col. Neild.—There is not a word about the Defence Force in that.

Senator GIVENS.—The honorable senator desired to convey to the public the impression that those are the ideas which we in Australia have with regard to defence. He felt himself at liberty, not only to defame the Defence Force, but to ridicule Australian patriotism in an article which secured wide circulation in an English newspaper. It comes with a very ill-grace from the honorable senator that after writing such an article he should charge an honorable senator on this side with defaming the Defence Force, when that honorable senator advocated merely the increased efficiency of the Force. If such a charge lies against any member of the Senate, it certainly lies against Senator Neild.

Senator Lt.-Col. NEILD (New South Wales).—It is only because reiterated misrepresentations are finally in some quarters accepted for truth that I take any notice of the effort which has been made to place an interpretation upon words written by me which must be transparently false to any one who gives the matter consideration. The words quoted are to the effect that a certain ingrained belief is held by the people of Australia. That does not mean the Defence Force in any shape or way. The words which have been read imply no belief on the part of the Defence Force, and have no relation to it. There was a time when the very words which have been quoted were used publicly in New South Wales by an officer who had returned from South Africa, and when it was a common thing, as stated in the quotation, for public men, Ministers, Members of Parliament, and others to advocate a gospel of "gallop and shoot," in preference to any form of military organization. That is all my article said, and it is all I say now. The promulgation of such a false doctrine is entirely opposed to the true national spirit, not to the fictitious and meretricious public spirit of which we sometimes hear. The

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man who desired to defend his country, and to maintain Australian prestige, is the man who is prepared to take some little trouble about it, and to make some slight sacrifice to fit himself for it, and not the man who is satisfied with firing at a target, or galloping about on a horse in the imaginary belief that he is thus qualifying himself for military service. The capacity to shoot straight and the capacity to ride hard are very useful adjuncts, but they do not constitute the all in all of military training, nor do they constitute that military training to which Senator Dobson has referred.

Senator DOBSON (Tasmania).—I have been glad to hear what has been said about the reference of this question to the Premiers' Conference, but when I am informed that Ministers are seized of the importance of this matter, I cannot overlook the fact that although we have had five Ministers of Defence, every one of whom has had an opportunity to consider a scheme that has been almost forced upon him, they have all rejected it.

Senator DRAKE.—No one has rejected it.

Senator DOBSON.—I think that, to some extent, they have. They have decidedly ignored it. I desire now to refer honorable senators to the comment of the *National Service Journal* in reference to the debate which took place more than a year ago upon Mr. Hughes' admirable motion with respect to the compulsory service of men. The journal in question gives some extracts from the speeches made by honorable members in another place, and proceeds—

> Sir John Forrest objected to the amendment as it would necessitate compulsory military service. He had put in the forefront of the Bill the principle that all service should be voluntary.

That is what I absolutely object to, because, in my opinion, there must be compulsion.

Senator CLEMONS.—I rise to a point of order. I ask whether the honorable and learned senator is in order in discussing, on this Bill, a matter which he should have discussed on the Defence Bill, which we passed some time ago. I submit that Senator Dobson's remarks have no reference whatever to any item contained in the schedule to this Bill.

Senator DOBSON.—I should like, on the point of order, to remind Senator Clemons that he has really wasted time by raising his objection. There are items in the schedule which have reference to cadets, and I am pointing out that the compulsory training of youths is a more admirable system than is the existing cadet system. When we were dealing with the Defence Bill, I asked the President whether I could deal with this question on that Bill, or whether it would be better that I should wait until the Estimates came on, and I was informed that I would be quite entitled to debate the question of the compulsory military training of youths on this Bill.

The CHAIRMAN.—I have to rule that Senator Dobson is in order. I point out to honorable senators that in a matter of this kind, the honorable senator in charge of a Bill is very much in the hands of the members of the Committee. My own opinion is that to allow a little latitude is conducive to progress in getting the Estimates through.

Senator DOBSON.—I should now very much like to make a speech on the inadvisability of leaving matters of importance to be dealt with at the end of the session, because within the last week honorable senators have shown that they are absolutely disinclined to go on with business. The quotation which I desire to make from the *National Service Journal* continues—

> Yet, later on, we find Sir John Forrest protesting against the proposal that Australian Forces should not be liable to service beyond the Commonwealth. He objected "to going, so to speak, cap in hand to soldiers to ask them to go on active service. Troops should not reason why."
>
> Altogether the debate was a most remarkable one. The Labour Party was asking for military training, urging every argument of national safety, physique, and character in support of their proposal. On the other hand, Sir John Forrest, Minister of Defence, advocating reliance in the last resort on a mob in arms! Truly an astonishing spectacle!
>
> At any rate, we heartily congratulate the Labour Party upon the strong logic which urges them to adopt the principle of a true democracy, that of the "nation in arms."

Senator STYLES (Victoria).—I have but a very few remarks to make, and I know the reply which will be given to them before I make them. The Minister will compliment me upon having placed the matter so lucidly before the Committee, will admit that he is profoundly impressed, and will undertake to submit what I have said to the Cabinet. I know the exact formula. I wish to say that there is one member of the present Government in the place where I think he ought to be. I have a great deal of confidence in the present Minister of Defence. I believe that if the honorable and learned gentleman remains in that position long

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enough great advantage will accrue to the Defence Force of the Commonwealth. I see no provision made in this Bill for converting the *Cerberus* into what she ought to be, an effective weapon of defence. This matter has been referred to time after time. She is now armed with four 10-inch muzzle-loading guns that are quite obsolete, and of no service at all. A modern vessel, armed with a 9.2-inch gun, would be able to stand off and batter her to pieces. If she were armed with four 8-inch modern breech-loading guns, I am informed on good authority, she would be a match for any single vessel that might enter these waters. The Naval Defence is our first line of defence, though we have heard a good deal to-day about cadets and small boys. As a layman, I offer the opinion that in Australia we shall have to depend for our defence mainly on the big guns of the Naval and Artillery branches of the Defence Force. If an expenditure of from £20,000 to £25,000 would be sufficient, as I am informed it would, to convert the *Cerberus* from a comparatively useless floating battery into a very effective one for the defence of one of the largest capitals of Australia, the proposal is worthy of consideration. I feel sure that I shall be told that the matter will be given consideration, and that is the last we shall hear of it. I direct attention to the branch of the force which is here called "The Naval Militia," but which used to be called "The Naval Brigade," and to which some of the finest men in the States belong. The pay used to be about £11 a year, until there was retrenchment in Victoria, when it was reduced to, I think, £7 5s., though subsequently it was slightly increased, and now stands at £8 10s. I suggest that the Government should add another £2, which would, of course, be paid throughout the Commonwealth.

Senator GRAY.—The great difficulty was in equalizing the amount throughout the States, because rates of pay varied so much before Federation.

Senator STYLES.—The pay ought to be increased in order to induce men to join the Naval Militia, because, in my opinion, we shall have to depend on big guns, and not on rifles in case of war. The men to whom I refer can go on board a vessel, take their part in a battery, or use the rifle, and when they compete with rifles at the butts, they very frequently are successful. There are hundreds, if not thousands, of such useful men throughout the Commonwealth, whom a little inducement would bring into the Defence Force. At present, the whole effective strength in Victoria is 116 men, though eight or ten years ago it was 250 or 300 men. I am not belittling the land forces, but, in my opinion, Australia will never be attacked by an army, but by a fleet carrying big guns.

Senator DRAKE.—The honorable senator seemed to imply that his remarks would be taken no notice of by the Government; but I hope he will disabuse his mind of that idea. I shall communicate his views to the Minister, who, no doubt, will attach considerable weight to them.

Senator GIVENS (Queensland).—This is the time to ventilate a matter which has occupied a good deal of the time of the Senate, but which, nevertheless, has not, in the opinion of most honorable senators, arrived at a satisfactory conclusion. It is a matter, which, to a large extent, Mr. Chairman, you had under your personal charge, namely, the case of Major Carroll. There are one or two new developments to which I desire to call particular attention, and in regard to which this Parliament is entitled to some satisfactory explanation before we conclude our labours. A statement has been made, which I, together with, I believe, almost every other honorable senator, am satisfied is correct, and which casts absolute discredit on the whole of the evidence given by the late General Officer Commanding before the Select Committee on that case. If we find a witness's statement is in one particular absolutely vitiated, that to a large extent discredits all his other statements. You, Mr. Chairman, as particularly interested, have had questions on the notice-paper for a considerable time in regard to this matter, and, so far, no satisfactory reply has been given by the Government. The questions have been postponed from day to day on one flimsy excuse or another, and before we allow the control of the business to go out of our hands, we ought to see that justice is done to an injured citizen of the Commonwealth. It was pointed out by the Attorney-General that this Parliament is, to a certain extent, a court—a final court of appeal. It is one of the first principles of British justice and jurisprudence that the dispensation of justice must not be delayed—that for the protection of the citizens the administration of justice must be speedy and sure. But all the efforts of

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the Government in this connexion have been to delay justice—have been to block any final decision. I object to such a course on the part of the Government, and I intend to review the circumstances shortly. In his evidence, before the Select Committee, Major-General Hutton was examined in reference to the following letter:—

Military Forces of the Commonwealth,
Head-Quarters, Melbourne,
May 27, 1903.

Captain and Hon. Major J. W. M. Carroll, Retired List.

Sir,—With reference to your letter of the 14th inst., I am desired by the General Officer Commanding to inquire whether you are prepared, in the event of being placed on the Unattached List as requested, to refund the gratuity awarded you on retirement.—I have the honour to be, Sir, your obedient servant,

J. C. HOAD, Colonel,
D.A.G. and C.S.O.

The important points of that letter is that it was written by the Chief Staff Officer by the direction and at the request of Major-General Hutton—the letter says so on the face of it. Major-General Hutton was questioned by Senator O'Keefe, who was a member of the Select Committee, and the questions asked will be found numbered 436 to 440 in the report of the Select Committee. Major-General Hutton, on being pressed for an explicit reply as to whether the letter was not, on the face of it, sent by his direction, made the following statement:—

I repeat that the letter was not sent by me. It was forwarded without my knowledge, and to ascertain whether Major Carroll was prepared to hand back the gratuity which he had received.

Then at question 439 Major-General Hutton was asked—

Then why does the letter read—" I am desired by the General Officer Commanding," &c.?

To that Major-General Hutton replied—

That is the usual method adopted in official correspondence at Head-Quarters.

The next question was—

You knew nothing at all about the communication?

To that Major-General Hutton replied—

No. I had no intention of restoring Major Carroll to the Unattached List, because that would have meant I contemplated his re-employment.

I have the very best of reasons for knowing that when Major-General Hutton made that statement it was false, and that he knew it to be false; and, therefore, Major-General Hutton committed perjury to that extent.

Senator Sir JOSIAH SYMON.—That is a very wrong thing to say without hearing both sides.

Senator GIVENS.—We have been trying to get a hearing for both sides.

Senator Sir JOSIAH SYMON.—What right have we here to sit in judgment on a charge like that? The honorable senator might accuse anybody of perjury under the privilege of Parliament.

Senator GIVENS.—I am not accusing anybody.

Senator Sir JOSIAH SYMON.—The honorable senator is accusing Major-General Hutton of perjury.

Senator GIVENS.—If I am, I am doing so on the best of evidence—on the evidence of the letter itself.

Senator Sir JOSIAH SYMON.—There is no evidence whatever.

Senator GIVENS.—We must either accuse Major General Hutton of giving evidence which he knew to be false, or we must accuse Colonel Hoad of writing a letter containing a statement which he knew to be false.

Senator Sir JOSIAH SYMON.—Nothing of the kind.

Senator GIVENS.—The Attorney-General is on the horns of a dilemma.

Senator Sir JOSIAH SYMON.—In either case, it is wholly unimportant. Major-General Hutton is away.

Senator GIVENS.—Major-General Hutton was the man who made a " dead set " at Major Carroll.

Senator Sir JOSIAH SYMON.—Major-General Hutton did nothing of the kind. The Senate has refused to adopt the report of the Select Committee.

Senator GIVENS.—The Senate has not refused to adopt the report.

Senator Sir JOSIAH SYMON.—Indeed, it has!

Senator GIVENS.—The Senate accepted a compromise, because apparently there is a sufficient number of honorable senators to prevent——

Senator Sir JOSIAH SYMON.—The report being adopted.

Senator GIVENS.—To prevent the report being accepted in its entirety. The compromise was that the Government would favorably consider the matter during recess.

Senator Sir JOSIAH SYMON.—What is the good of discussing the matter now?

Senator GIVENS.—I discuss it, because this new fact has come to light.

Senator Sir JOSIAH SYMON.—There is no new fact.

Senator GIVENS.—There is evidence of a new fact, which throws discredit on the whole of the evidence of Major-General Hutton.

Senator MULCAHY.—What has this to do with the Estimates?

Senator Sir JOSIAH SYMON.—Nothing whatever.

Senator GIVENS.—I can assure honorable senators that burking discussion is not the way to get the Estimates through.

Senator Sir JOSIAH SYMON.—I rise to a point of order. The report of the Select Committee appointed to inquire into the case of Major Carroll and his retrenchment has already been dealt with and decided by the Committee. That report was not adopted, another resolution being arrived at. The honorable senator's denunciation of Major-General Hutton, and his remarks generally, would have been perfectly appropriate in the discussion of the report of the Select Committee, but now they can only have the effect of re-opening a discussion on the whole case dealt with in the report.

Senator GIVENS.—I submit that on the military Estimates I have a perfect right to discuss what I believe to be an act of maladministration.

Senator MULCAHY.—The honorable senator has only the right to discuss the items in this division.

Senator GIVENS.—The actions of Major-General Hutton are perfectly open to discussion when we are asked to vote his salary.

Senator Sir JOSIAH SYMON.—Will my honorable friend permit me to point out that he is discussing a matter which is on the notice-paper for to-morrow?

Senator GIVENS.—It is not down for discussion, though.

Senator Sir JOSIAH SYMON.—It does not need to be down for discussion. There is on the notice-paper for to-morrow a question which raises this matter, and my honorable friend is anticipating a statement from Colonel Hoad, which is not yet before the Senate.

Senator GIVENS.—There is a standing order which says that we cannot anticipate discussion. But it implies that the matter is liable to come up for discussion. A question on the notice-paper is not a matter which is set down for discussion.

The CHAIRMAN.—Perhaps it may save some time if I give a ruling on the point of order at once. The salary of Major-General Hutton is under consideration, and the salary of another officer who may, or may not, have written a certain letter, under instructions, is included in these Estimates, therefore I must rule that the honorable senator is not out of order.

Senator GIVENS.—These continual efforts to burke discussion are not right.

Senator Sir JOSIAH SYMON.—Is it in order, sir, for the honorable senator to charge me with seeking to burke discussion when I raise a point of order?

The CHAIRMAN.—If the Attorney-General takes the expression as a personal reflection upon himself I hope that it will be withdrawn.

Senator GIVENS.—I withdraw the expression. I am very pleased to find that the Attorney-General has no desire to burke discussion. A new fact has come to light which places one officer or the other in a very invidious position. Either Major-General Hutton has said on oath what is not true, or Colonel Hoad has stated in a letter what is not true, but I understand that the latter is prepared to back up his statement by an affidavit if the Government will give him an opportunity. When Major-General Hutton swore that he knew nothing about the letter there was no means of proving whether he did or not, but the means is now at our disposal.

Senator Sir JOSIAH SYMON.—Because Major-General Hutton made a wrong statement Major Carroll ought not to have been retrenched?

Senator GIVENS.—That is an entirely wrong way of putting the question.

Senator Sir JOSIAH SYMON.—Does not the honorable senator think that this is all beating the air when Major-General Hutton has gone?

Senator GIVENS.—No, because the effect of his action remains, and it is in our power to repair an act of injustice. A palpable injustice has been done to Major Carroll, as shown by the letter which was written by the direction of Major-General Hutton, and it is our duty to see that it is rectified. I have no personal interest to serve. I never saluted Major Carroll until to-day, and then I only spoke to him for about a minute, and that was not until after he had heard that I intended to move in this matter. He was an utter stranger to me until a day or two ago. The only desire I have is to see that this Parliament does not lend itself to a palpable injustice. If this letter was sent by the direction of

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Major-General Hutton, it shows that he contemplated the reinstatement of Major Carroll. If Major Carroll was unfit to be in the service, as Major-General Hutton would have people to believe by some of his evidence; if he was the officer who could best be spared, the letter should not have been written. Whether he directed the letter to be written or not, is a fact which could easily be proved. The Government have to a certain extent evaded meeting this issue straight out. They have evaded giving Major Carroll an opportunity to vindicate his character by taking the sworn statement of Colonel Hoad. I do not know exactly which officer has made a false statement, but I know that we have the remedy in our hands. I have the very best reason for believing that Colonel Hoad is prepared to make an affidavit that he had more than one consultation with Major-General Hutton as to the contents of this letter before it was written by his direction. I challenge the Government to put that statement to the proof.

Senator Lt.-Col. NEILD.—Move for Colonel Hoad to be summoned to give evidence at the bar of the Senate.

Senator GIVENS.—It is not possible to take that course when we are discussing the Estimates. I am taking the only course which appears to me to be effective. It has been said that Major Carroll was retrenched because there was no officer required at the time; in fact, that they intended to dispense with a number of officers, and that he was one of those whose services could best be spared. I believe it is a fact that very soon after he was retrenched, two officers, named Robinson and Buckley, were appointed, who had no claims on the service. One of them was brought out from England, and the other was the son of a prominent merchant in Melbourne, who, I suppose, could exercise a great deal of influence. Is that the way in which the Parliament allows the Military Forces to be run?

Senator GRAY.—Was not that brought before the Select Committee?

Senator GIVENS.—I dare say that all these circumstances were brought before the Select Committee, and they will be continually brought before the Senate until some satisfaction is obtained for the injustice which has been done. If we allow the Appropriation Bill to pass out of our control, the injustice will not be remedied. New interests will demand our attention ... coming session, and this case may be forgotten. That is evidently what the Government are playing for. They have an opportunity to verify the statement of Colonel Hoad. I am prepared to resume my seat immediately if the Attorney-General will tell me that before the prorogation he will lay upon the table Colonel Hoad's affidavit.

Senator Sir JOSIAH SYMON.—If Colonel Hoad were to make an affidavit, he would be liable to be sent to gaol, because it cannot be made except in a legal proceeding. That shows the absurdity of the whole demand.

Senator GIVENS.—Will the honorable and learned senator facilitate the calling of Colonel Hoad to the bar of the Senate, where he could be examined? Or will he ask Colonel Hoad to make a written statement, and lay it upon the table before the Senate adjourns?

Senator Sir JOSIAH SYMON.—My honorable friend is asking a question which is on the notice-paper for to-morrow.

Senator GIVENS.—The best thing we can do is to postpone the consideration of this division until that question has been disposed of by the Attorney-General to-morrow. Therefore, in order to test whether he really desires that discussion should be facilitated, I move—

> That sub-division 1 of division 56 (Head-Quarters Military Staff) be postponed.

Senator DRAKE.—I am sure that Senator Givens does not desire that I should enter into a discussion of the Carroll case. We have heard quite enough about it. Putting that case on one side, Senator Givens asks that we should anticipate the answer to a question that is on the notice-paper for to-morrow. It is undesirable that the Estimates should be postponed for such a purpose. In the first place, it is not denied that a letter was written by Colonel Hoad. The letter itself states that it was written under the direction of Major-General Hutton, who has said that he has no recollection of having ordered it to be written. There is a difference of recollection between the two men. That is what it comes to. Surely it is not right for an honorable senator to hurl charges of perjury against an absent man on such a ground. In the multiplicity of affairs that have to be transacted, a man is always liable to make mistakes of this kind. It is impossible to say which officer is correct. But it would certainly be wrong to do anything to decide a question of this kind without giving one

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of the parties an opportunity to defend himselt.

Senator STEWART (Queensland).—It is a pity that the Government will not consent to the postponement of this division until we get the information which will be disclosed to-morrow. We shall then be in a better position to discuss the schedule. It appears to me that the Government are in this matter guilty of conduct which can only be described as contemptible. In the first place, this Chamber is not a court of law, where it is permissible for members of the legal profession to shelter themselves behind mere technicalities. The representative of the Government should not carry the pettifogging methods of the courts into this Chamber.

The CHAIRMAN.—I shall be glad if the honorable senator will discuss the postponement of the division. The merits of the question are not now under discussion.

Senator STEWART.—It is hardly possible to discuss the postponement without entering more or less into the merits of the case. But I am merely pointing out what the Government are doing. They see that there is a question on the paper dealing with the subject that Senator Givens has alluded to. Therefore they try to have him ruled out of order.

The CHAIRMAN.—That point has been withdrawn.

Senator STEWART.—We cannot get information because there is a question on the paper.

Senator Sir JOSIAH SYMON. — Senator Drake has stated that there is simply a difference of recollection between Major-General Hutton and Colonel Hoad.

Senator STEWART.—I understood that the trouble was that Senator Givens was not to be permitted to proceed.

The CHAIRMAN. — That is not the question. Senator Givens is quite entitled to discuss the matter. The presence of a question on the business-paper is not affected by the standing order against anticipating debate. I must request the honorable senator to confine himself to the question whether the division shall be postponed.

Senator STEWART. — There are very good reasons why it should be postponed. It is exceedingly undesirable that this matter should be dealt with until we have the fullest information. Something may be disclosed by the answer to the question to-morrow which may materially affect our opinion with regard to this division. It is desirable in the interest of justice and fair play that we should have a postponement.

Question—That sub-division 1 of division 56 be postponed—put. The Committee divided.

Ayes	7
Noes	20
	—
Majority	13

AYES.

Croft, J. W.	Stewart, J. C.
Dawson, A.	Turley, H.
Henderson, G.	*Teller:*
Higgs, W. G.	Givens, T.

NOES.

Baker, Sir R. C.	Pulsford, E.
Dobson, H.	Smith, M. S. C.
Drake J. G.	Story, W. H.
Fraser, S.	Styles, J.
Gould, A. J.	Symon, Sir J. H.
Gray, J. P.	Trenwith, W. A.
Keating, J. H.	Walker, J. T.
McGregor, G.	Zeal, Sir W. A.
Mulcahy, E.	
Pearce, G. F.	*Teller:*
Playford, T.	Clemons, J. S.

Question so resolved in the negative.

Senator GIVENS (Queensland).—As we have not succeeded in having this item postponed, the only course left to me is to discuss the subject further, and that course I propose to pursue. We were told by the Attorney-General some time ago that this Chamber occupies the position of a final court of appeal to remedy grievances and injustices. The duty of a court is to provide speedy justice. This case has been hanging fire for a very long time, and Major Carroll is being denied justice. A Select Committee has dealt with his case, and has made recommendations which the Government refuse to accept.

Senator MULCAHY.—Which the Senate refused to accept.

Senator GIVENS.—At the instance of the Government. As a matter of fact, although an amendment was carried, its acceptance was forced by the action of the Government.

Senator Sir JOSIAH SYMON. — The Government voted against the amendment.

Senator GIVENS.—Because they wished to shelve the matter entirely. They now desire to shelter themselves behind the meaningless phrase that they will give the subject consideration during the recess. That means that it will be flung into the limbo of forgotten things. Since the motion regarding the finding of the Select

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Committee was discussed fresh particulars have been put before us. Will the Government, or will they not, do what they ought to do? I can promise them that the discussion will occupy very little time if they will give us an assurance that justice will be done. I want nothing for myself. I do not come here to advocate things for myself, as do some honorable senators who are very loud in talking about what others do.

Senator PLAYFORD.—The honorable senator is doing Major Carroll no good.

Senator GIVENS.—I should like to know what the honorable senator means by that? It is because honorable senators wish to consider other business which, in their opinion, is of more importance, that they desire to slur over this question. We have now an opportunity to prove, by evidence which was not available when the Select Committee was inquiring into this case, whether statements made by the principal witness against Major Carroll were true. I have asked that Colonel Hoad should be permitted to make an affidavit as to whether he correctly stated the facts in his letter to Major Carroll, when he said that he was desired by the late General Officer Commanding to write it. The Attorney-General sheltered himself behind the legal quibble, that we cannot get an affidavit from any person, except on a legal matter. I then offered to cease my remarks if the Government would undertake to get a written statement from Colonel Hoad, which I am sure every member of the Committee would be willing to accept, and the Attorney-General then sheltered himself behind the fact that there is a question on the business-paper dealing with this matter to which he proposes to reply to-morrow. I was perfectly reasonable when that statement was made, and asked that we should delay dealing with this matter until the honorable and learned senator's reply to the question is before us. If the answer to that question is satisfactory, there need be no further discussion. The Attorney-General would not agree to that, and all his supporters expressed themselves against the proposal to postpone this item until to-morrow. If I had my way, and a sufficient number of the members of this Committee loved justice and fair play, this discussion should continue until after the time when the Attorney-General will answer this question, so that we should have full information before we proceed to a decision.

Senator FRASER.—The honorable senator desires to force the Government to accept his view, whether they think it right or wrong. That is a nice state of things.

Senator GIVENS.—It is a truly awful state of things that we should not allow the Government to do just what they please with us. I remind honorable senators that the Government are in the position of the directors of a public company. They have to manage the affairs of the Commonwealth in the interests of the shareholders, who are the people of the Commonwealth. We are a representative Committee of the shareholders, and the representatives of the people should not be under the thumb of any Government. On the other hand, it should be no indignity to the members of any Government to be under obligation to disclose their full intentions to the representatives of the people. The reason which is alleged for the retirement of Major Carrol is, that Major-General Hutton considered that he was the officer who could be spared with least injury to the service when retrenchment was the order of the day. Major-General Hutton directed a letter to be written to Major Carroll, after that officer had been placed on the Retired List, asking him if he would be willing to return the gratuity which he received on his retirement if he were restored to the Unattached List. Major-General Hutton has admitted that that statement, if written by his direction, involved that he must have contemplated the possibility of reinstating Major Carroll at some future time on the Active List. When confronted with that letter by the Select Committee, Major-General Hutton, in the strongest terms, denied all knowledge of it. He said, in answer to question 438—

> The letter in question was not sent by me

Further on, in the same paragraph, it will be found that he said—

> I repeat that the letter was not sent by me. It was forwarded without my knowledge, and to ascertain whether Major Carroll was prepared to hand back the gratuity which he had received.

At question 440, Major-General Hutton was asked specifically—

> You knew nothing at all about the communication?

and to that he replied—

> No; I had no intention of restoring Major Carroll to the Unattached List, because that would have meant that I contemplated his re-employment.

The Attorney-General says that it is a question merely of a lapse of memory, and as to whether Colonel Hoad or Major-General Hutton more accurately recollects what

took place. I point out that it is not merely a matter of recollection, because that presupposes that Major-General Hutton gave his answers to the questions asked him without due thought, whilst we have evidence that he emphatically repeated three times that the letter was sent without his knowledge, and that he knew nothing at all about it. On the face of the letter, it is evident that Major-General Hutton did know about it because it begins, " I am desired by the General Officer Commanding." Therefore, either Colonel Hoad made a false statement when he wrote that letter, or Major-General Hutton swore to a false statement when he gave his evidence before the Select Committee. We have now an opportunity to find out whether Major-General Hutton was correct in the statement he has made. I have the very best reason for believing that if Colonel Hoad is afforded an opportunity to deal with the evidence to which I have referred, he will swear, if necessary, not only that Major-General Hutton knew of the letter in question, but that he had more than one consultation with his Chief of Staff before that letter was sent. That is a statement which should not be ignored in dealing with this matter. It must be remembered that the injustice which Major Carroll is suffering has been inflicted on him at the instance of Major-General Hutton in the first place. He was placed on the retired list by the late General Officer Commanding. That action was confirmed by the Minister of Defence at the time of the recommendation of Major-General Hutton, and the action of the present Government is largely based on the attitude of and the evidence given by that officer. When we find that in one specific instance Major-General Hutton's evidence is absolutely discredited, and to use stronger terms, if Colonel Hoad is to be believed, that it is absolutely false, we are justified in holding that it is the duty of the Government to review the whole matter. I should be sorry if the Committee refused to consider it, because of any desire to be revenged upon an officer who has given some little trouble.

Senator Sir WILLIAM ZEAL.—A vote of the Senate has been cast in his favour.

Senator GIVENS.—The motion adopted by the Senate is merely in favour of procrastination. It does not appear to me as being of any value at all, whilst I point out that since that motion was agreed to, we have been afforded an opportunity to secure fresh information on the subject.

Senator GRAY.—The Senate asked the Government to take the matter into consideration, and the honorable senator is trying to force the Government to adopt his views.

Senator GIVENS.—No; nor do I think the honorable senator then in charge of the matter had any such desire. What was then sought was a declaration from the Senate that Major Carroll should be reinstated; in other words, that the report of the Select Committee should be adopted. I do not this afternoon go the length of asking the Senate to review its decision, but before we separate for the year we ought to have some assurance that tardy justice will be done to Major Carroll. The means lie to our hand. Colonel Hoad, who was in Japan when the Select Committee sat, is now available. If it can be proved that Major-General Hutton authorized, or wrote that letter, it will prove that he contemplated the re-employment of Major Carroll, and also that Major-General Hutton was absolutely wrong in all his contentions. All I ask for is an expression of opinion from the Senate, which will result in an opportunity being afforded to discover where lies the truth.

Senator STEWART (Queensland).—I am extremely surprised at the attitude of the Government. This case was considered to be of sufficient importance for investigation by a Select Committee, who recommended the reinstatement of Major Carroll. The report of the Select Committee was not adopted; and I think I am right in saying that the principle reason was the evidence given by Major-General Hutton, together with the statement laid upon the table of the Senate just as that officer was leaving for the old country. If the contention of Senator Givens is correct—that Major-General Hutton's evidence has been, or is likely to be, found unreliable in one particular—then I submit that the whole of his evidence must be discounted. I can imagine the Attorney-General in a Court, dealing with a witness whose evidence has been discovered to be unreliable on an important point of this character. How the honorable and learned gentleman would rave and rant, and tear and cross-examine in his efforts to influence the jury! Yet the Attorney-General treats this whole matter with the utmost unconcern, although, in my opinion, the honour of the Senate is involved. An officer of the Commonwealth Forces was literally hounded out of his employment by Major-

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General Hutton, but the Senate, on the evidence and representations of Major-General Hutton, refused to accept the verdict of the Select Committee.

Senator Sir WILLIAM ZEAL.—The Senate modified the report, and I think Major Carroll ought to be very well satisfied.

Senator STEWART.—The Senate refused to adopt the recommendations of the Select Committee, and handed Major Carroll over to the tender mercies of the Government.

Senator Sir WILLIAM ZEAL.—The honorable senator is not satisfied unless he gets everything he wants.

Senator STEWART.—This is a much more important matter than Senator Zeal seems to realize. There is a liar somewhere in connexion with this case; and it is either Major-General Hutton or Colonel Hoad. The Senate is entitled to have the matter cleared up, and if the Government shield either Colonel Hoad or Major-General Hutton they will be guilty of a gross breach of trust. What confidence could be placed in a man who would deliberately go before a Committee and swear a falsehood? If Major-General Hutton did so, would the Government be justified in leaving the control of the defences in the hands of such a man? It is within the power of the Government to prove whether Major-General Hutton has done such a thing, and if he has, he is guilty of the most unsoldierlike conduct, and ought to be drummed out of the British Army. In the interests of all concerned, every light should be thrown on this most unsavoury incident. Major-General Hutton has gone away, but Colonel Hoad is here, and that officer's honour is also involved. Major-General Hutton went before the Select Committee and deliberately branded Colonel Hoad as a liar.

Senator Sir WILLIAM ZEAL.—I do not think Major-General Hutton did that.

Senator STEWART. — Major-General Hutton disavowed the letter, while Colonel Hoad, in the letter, says that it was written at the instigation of Major-General Hutton. There was a direct administrative proposal contained in the communication, and if that proposal was made on Colonel Hoad's own motion he is no longer fit to hold a position in the Defence Forces. In the consideration of the matter before the Committee, we may leave Major Carroll out of consideration. There are two direct statements by two officers, one contradicting the other; and we ought to know the truth of the matter. The Government has it in their power to clear up the mystery by asking Colonel Hoad to make an affidavit or a statement, with which, I suppose, the Senate would be quite satisfied. It has been contended that we ought to have Major-General Hutton's statement as well; but, as a matter of fact, we have already heard what Major-General Hutton has to say. It is absolutely necessary, before the Estimates are passed, that the Government should give some assurance that the matter will be cleared up as early as possible.

Senator GIVENS (Queensland). — We have entered a very emphatic protest against the inaction of the Government in this matter. We have not received very much support. We have not received that support which we should have got if other matters were not pressing for first attention upon honorable senators who desire to prorogue at an early date, and who, therefore, wish to obtain sufficient time for the discussion of those matters in which they are interested. I hope that honorable senators who have assumed that attitude will be content to take the responsibility of their action, because it must be remembered that we are in the position of a jury. A fellow citizen has appealed to us for justice, and we have no right to allow any consideration to stand between us and the granting of justice to him. Perhaps no good purpose could be served by pursuing the matter any further at this stage, but I can assure the Government that it will not be allowed to fall into the limbo of forgotten things. There are honorable senators who will revive the case next session, and insist upon a fair deal being meted out to an injured officer. He has been refused common justice. He has been denied an opportunity to refute injurious evidence which he had no opportunity to refute at the time it was given. All this discussion could have been saved if the Government, at the beginning, had complied with the very moderate request that the Chief Staff Officer should be asked for a written statement as to the correctness or otherwise of the assertion made by Major-General Hutton in his sworn evidence.

Senator PLAYFORD. —The honorable senator may trust the Government to do what is right.

Senator GIVENS.—I have not the slightest objection to Senator Playford trusting anybody he likes; I should sooner trust to the Senate.

Senator Sir JOSIAH SYMON.—My honorable friend would not hesitate to trust me?

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Senator GIVENS.—If the honorable senator were acting in his private capacity undoubtedly I should trust him; but when he is acting as a member of the Government which has very many considerations to attend to, and a number of supporters to placate, it is a horse of quite another colour.

Senator Sir JOSIAH SYMON.—My honorable friend need not be afraid that that will contaminate the personal trust he would place in me.

Senator GIVENS.—When the honorable senator can act without any reference to the Prime Minister or the Cabinet, I shall be prepared to trust him.

Senator Sir JOSIAH SYMON. — We shall talk it over again at the beginning of next session.

Senator GIVENS.—I refuse to trust the Government in a matter which I believe that the Senate is in honour bound to deal with. Why should we delegate to the Government a power that we have?

Senator PLAYFORD.—Because it is the duty of the Executive to carry out our wish.

Senator GIVENS.—But we have not indicated our wish.

Senator PLAYFORD.—We have indicated our wish in the resolution which we have passed in reference to the report of the Select Committee.

Senator GIVENS. — The Senate has merely expressed a wish that the Government should give favorable consideration to the case of Major Carroll.

Senator KEATING.—What else can we do? Supposing that we had adopted the report of the Select Committee, what then?

Senator GIVENS.—We who have taken this stand have failed not because our claim was not right and just, but because of considerations which I hope will not obtain when the Senate meets again. I promise the Government that this matter will not be allowed to sink into the limbo of forgotten things. If no one else moves, I shall push the matter to the furthest extremity until absolute justice is done to this citizen, who has been very hardly dealt with indeed.

DEPARTMENT OF THE POSTMASTER-GENERAL.

Divisions 184 to 190, £2,533,539.

Senator GIVENS (Queensland).—I desire to call attention to some items similar to those to which I have previously called the attention of the Attorney-General. I have been trying to get some explanation of the reason why certain officers have been kept below the minimum salary which the Parliament has enacted shall be paid to officers after they have attained a certain age. I find that on these Estimates two messengers are given £61 each. That is very far below the minimum provided by the Parliament. Either these are very young lads, or they are getting very small salaries.

Senator Sir JOSIAH SYMON.—I shall get the actual particulars for my honorable friend if he will not delay the passage of the Estimates.

Senator GIVENS.—I shall not delay their passage in any way.

Senator Sir JOSIAH SYMON.—My honorable friend will find that there is no infringement of the provision to which he has referred.

Senator GIVENS.—What I wish to emphasize is the fact that whereas we seem to be exceedingly liberal with our high salaries, we on the other hand appear to be somewhat parsimonious with our low salaries. A person who is getting just sufficient to enable him to obtain the necessities of life is worthy of receiving the most consideration. We should see that no hardship or sweating is inflicted on such persons.

Senator Sir JOSIAH SYMON.—Hear, hear.

DEPARTMENT OF HOME AFFAIRS.

Postponed division 20 (Public Service Commissioner), £10,759.

Senator STEWART (Queensland).—On this vote for the Public Service Commissioner, I desire to refer to several matters in connexion with the postal administration in Queensland. One of these matters was dealt with on a recent Appropriation Bill, and the Attorney-General promised to submit it to the Government, and try to see whether an undoubted grievance could not be remedied. As I have heard nothing further on the subject, I have come to the conclusion that his promise was so much wind, that he has not brought the case before the Government, and that it stands now just where it did when I previously spoke. I allude to the position of a number of classified postal employés in Brisbane. I forget exactly how many are concerned, but I know that they represent a considerable number. These men passed the usual Civil Service examination, were treated in every respect as clerical classified assistants, and had before them the prospect of being assistants in that grade.

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But when the classification was adopted, it was found that their work was placed in the general, instead of in the clerical division. I have no complaint to make against the Public Service Commissioner for so classifying the work. I think that on the whole it was just as well that this particular branch was placed in the general division. But the increases granted to the officers are now only general division increases, and their prospects of promotion are very seriously changed. If this matter is not dealt with by the Government, it will have to be dealt with by the High Court. If the Government are not prepared to do justice, the men will have to wring justice out of them. The matter has been allowed to go on too long, and I now want to know whether the Vice-President of the Executive Council can tell me whether anything has been done since I spoke last to put it on a proper footing. I am prepared to be told that the matter is in the hands of the Public Service Commissioner. But the Public Service Commissioner cannot override the law. He cannot tear up the Constitution. The Constitution reserves to these men all the rights they possessed when the Federal compact was entered into. They formerly belonged to the clerical branch of the service. They passed their Public Service examinations. They were in receipt of regular clerical increases. But now they are relegated to the general division.

Senator DRAKE.—Which class of men are these?

Senator STEWART.—They are officers in the Brisbane Post Office. It is very difficult to ram an idea into the heads of the present Government. They appear to be as oblivious to common sense as the ordinary Scotchman is to a joke. Sometime ago the Attorney-General promised me that he would look into this matter. Has he done so?

Senator Sir JOSIAH SYMON.—Certainly.

Senator STEWART.—I suppose I must take his word. I want to know whether anything has been done to remedy this undoubted grievance?

Senator Sir JOSIAH SYMON.—What is it that the honorable senator wishes to be done?

Senator STEWART.—I want the men to be placed in their proper division. While they were in the Queensland service they were in the clerical branch. They were in receipt of clerical pay, and clerical increments. When the Public Service Commissioner classified the service he put them in the general division. What I complain of is that they are now paid general division increases, which are much smaller than clerical division increases. They also complain that their avenues of promotion are limited in a very serious degree. The agreement made with these young men when they entered the service has been deliberately broken. I claim that they should be granted the same annual increments as are received by other employés who entered the service at the same time as they did, but who were fortunate enough to be employed at work which the Public Service Commissioner classified as clerical. There is a legal question involved—whether the bargain entered into with these men by the State has not been departed from by the Commonwealth. That is a question which ought to have been submitted to the Attorney-General. If I have his assurance that the matter will be attended to, I shall be satisfied. Another matter which has caused a great deal of dissatisfaction amongst the Post and Telegraph employés in Queensland is the computation of pay for Sunday work. It appears that in calculating this pay, the annual salary of an officer is divided by 365. The officers contend that it ought to be divided by 313, deducting fifty-two Sundays. There is also a matter affecting the employés who have to do with the mails, which has caused a great deal of dissatisfaction.

Senator PLAYFORD.—There has to be uniformity in the Commonwealth service.

Senator STEWART.—To show whether uniformity has been carried out, I may as well give some figures to compare the position in Brisbane with that in Adelaide. In the mail branch of the Brisbane General Post Office, there are 119 officers whose average salary is £147 per annum. In the Adelaide General Post Office there are 139 officers at an average salary of £163. In the Brisbane Post Office, where there is much more work to do than in the Adelaide office, there are nine paid clerical assistants. In the Adelaide Post Office there are twenty-eight paid clerical assistants.

Senator PEARCE.—The English mail has to be dealt with by the Adelaide office.

Senator STEWART. — There is just about half the business at the Adelaide office that there is at the Brisbane office.

Senator PLAYFORD.—Rubbish!

Senator STEWART.—It just shows what excellent log-rollers our friends from South

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Australia are. If there is to be uniformity of administration, let us place each office on the same footing. The question of the mail money which used to be paid to officers of the Department in Brisbane has been brought before the Senate on several occasions, but so far no relief has been granted. This mail money was paid in the Brisbane Post Office for about thirty years, and the officers came to look upon it as a part of their salary. They do not ask that it should be continued as hitherto, but they ask for an increase of salary to compensate them for the loss they have suffered. They ask that they should be placed in the same position financially as they were in prior to Federation, when, as a matter of fact, this mail money was as much a part of their annual salaries as was the sum voted for the purpose on the Estimates. There are a number of other matters to which I desired to refer, but at this late period of the session I have very little hope that they would be sympathetically discussed, and I have been forced to the conclusion that it is probably better that I should postpone their discussion until next session, when they may be dealt with to more advantage. Before I resume my seat, however, I must refer to the disproportion noticeable between the increases granted to the more highly paid public servants of the Commonwealth, and those granted to our poorly paid public servants. I find that the more poorly paid employés are recommended for increases of £2 per annum, or about 9d. per week, whereas in some of the higher grades the increases recommended run from £50 to £100 per annum, or from £1 to £2 per week. In my opinion the more highly paid officers were getting quite enough before the classification, whilst the very opposite was the case with many of the poorly paid employés. I know that we shall have the usual statement that good men must be paid good salaries. I have no objection to that, but when we find salaries jumped up from about £400 to £550 a year, we begin to inquire the reason. My contention is that the Public Service Commissioner, being a civil servant of the old *régime*, whose particular business it was to see that the more highly paid officers received large increases annually, and who did not trouble very much about the poorly paid employés, has followed on the old lines. As we put it in Scotland, he has "greased the fat sow." "To him that hath shall be given." He could not take from those who had so little, but he went as near to that as he possibly could. If I have gauged the feelings of the Federal Parliament aright, it is that more attention should be paid to the men who do the rough work of the Post and Telegraph Department. They are as necessary to the carrying on of the Department as are its most highly paid officers, and every one of them should be decently paid.

Senator Sir WILLIAM ZEAL.—Are they not?

Senator STEWART.—In some cases they are not. Why should a man who is already in receipt of a sufficiently large salary be granted an increase of from £50 to £100 a year, whilst another man in receipt of the paltry annual wage of £120 is given an increase of only £2 a year? That is the system carried out by the Public Service Commissioner throughout. I trust that the Government will take into consideration the grievances to which I have referred, and will see that they are remedied before this Parliament meets again.

Senator Sir JOSIAH SYMON.—I have no hesitation whatever in giving my honorable friend an assurance that the matters to which he has alluded, as well as those to which any other honorable senator may allude in connexion with the Public Service, will be thoroughly investigated, with a view to the redress of all injustice and the removal of inequalities. But with regard to the specific matters to which Senator Stewart has referred, and which I again assure the honorable senator have been investigated in fulfilment of the promise which I gave, I am satisfied, as I think the honorable senator will be, that there is no foundation for some of the grievances he puts forward. The honorable senator has been good enough to ask merely for an assurance that the grievances shall be investigated, but he will perhaps allow me to give such information as I have now as the result of inquiries already made. Taking first the last point to which the honorable senator referred—the alleged grievance that the more highly-paid officers have received large increases, whilst those at the opposite end of the scale have been treated in quite a different, and apparently in an inequitable manner—the figures show that exactly the opposite is the case. The total increases shown by the classification, which has not yet been confirmed, and which is subject to appeal, amount to £54,564. If no classification of the service had been made, the States and statutory increments would of

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course have to be paid. These should be deducted from the total increases shown in the classification, in order to establish a just comparison. They would amount to £34,653, leaving the actual amount of increases due to the classification scheme at £19,911. The amount involved in increases to officers receiving less than £200 per annum—the lower grades of the service —is £41,853.

Senator STEWART.—How many are there of them?

Senator Sir JOSIAH SYMON.—I am dealing with the total amounts. The increases to officers receiving between £200 and £500 per annum account for £12,092, making a total of £53,946. Honorable senators will therefore see that there is not very much left for increases to officers receiving more than £500 a year.

Senator PLAYFORD. — Because there are not very many of them.

Senator Sir JOSIAH SYMON.—I cannot say how many, but the increases provided for those officers total £880, whilst officers of the Administrative Division—the highest class—divide amongst them £400. These amounts will be found to make up the total of £54,564. Stated in percentages the figures show that about 76 per cent. of the total increases will go to officers of the lower divisions of the service, if the classification scheme is carried out.

Senator STEWART.—Those figures are of no value without a statement as to the numbers of the officers in the various divisions.

Senator Sir JOSIAH SYMON. — They are of value in this way, that they show that, amongst officers receiving over £500 a year, and officers of the Administrative Division, there is but £1,280 for distribution as increases, and honorable senators cannot bring a railing charge such as that to which we have listened, when it can be shown that out of £54,564, £41,853 is distributed amongst officers receiving less than £200 a year. The official figures show that there is no foundation for the appeal which is frequently made on behalf of "the poor man." Whatever his faults, I think it must be admitted that the Public Service Commissioner, in his classification, has endeavoured to do justice in the distribution of these increases. The question of the mail money to which Senator Stewart has referred has been considered already, but I have no doubt that the Post Office authorities will be prepared to consider it again. The honorable senator does not disapprove of the discontinuance of the payment of mail money. It existed only in Queensland, and was therefore an anomaly in the Commonwealth service, and was on that account discontinued. The honorable senator suggests, however, that while it is right that these payments should be discontinued as payments for mail money, they should be continued in the form of increases in salary. That would be taking money out of one pocket to put it into another. However, it is a legitimate matter to bring under the notice of the Government, and I readily assure the honorable senator that it will have consideration. With respect to the objection taken to the Sunday pay, I may inform the honorable senator that time and a-half is being paid for Sunday work, but what the honorable senator contends is that the payment should be regulated by having regard to the sum resulting from a division by 313, instead of that resulting from a division by 365. Whilst the matter is one that may fairly be discussed, I think we should not do well to interfere with the Public Service Commissioner in its adjustment.

Senator STEWART.—It is very unfair to the man.

Senator Sir JOSIAH SYMON.—At any rate, I may say that Senator Stewart has put the case very moderately, although I do not agree with him, nor do I think do other honorable senators. I may conclude my remarks by summarizing the present position. The classification scheme is not yet confirmed, and pending the appeals, it is undesirable, inconvenient, and possibly embarrassing to discuss details. It is not the intention of the Government that the classification scheme shall be confirmed, or brought into final operation until honorable senators, if they so desire, have had it under review. At any rate, no change due to the classification scheme alone—there being other matters affecting status, and so forth in the service which are not interferred with—will be carried into effect until honorable senators have had an opportunity to express an opinion. It is the present intention of the Government, at any rate, to afford at the earliest possible time, such an opportunity in regard to a matter of so much interest.

Second schedule agreed to.

Postponed clauses 2 and 3 agreed to.

Bill reported without requests; report adopted.

Bill read a third time.

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PAPER.

The PRESIDENT laid upon the table the following paper:—

Statement of accounts by the Treasurer for the year 1903-4, together with Auditor-General's report.

PAPUA (BRITISH NEW GUINEA) BILL.

In Committee (Consideration resumed from 8th December, *vide* page 8036):

Postponed clause 21—

. . . .

No intoxicants or opium shall be imported into or manufactured in the Territory, except by written permission of a person duly authorized by the Lieutenant-Governor, and under regulations and conditions to be prescribed. . . .

Upon which Senator PEARCE had moved by way of amendment—

That the blank in the clause be filled by the insertion of the following words:—

"Intoxicants may be purchased, imported into, manufactured, and sold in the Territory only by the Lieutenant-Governor, or by officers duly appointed in that behalf, and under regulations and conditions to be prescribed by the Lieutenant-Governor relating to the purchase, importation, manufacture, and sale thereof.

No person other than as provided in the immediately preceding paragraph shall import into, manufacture, or sell in the Territory any intoxicants.

Penalty: £100.

Intoxicants for the purposes of this section shall mean any wine, spirits, ale, beer, porter, cider, perry, or other spirituous or fermented liquor of an intoxicating nature."

Question put. The Committee divided.

Ayes	15
Noes	7
Majority	8

AYES.

Croft, J. W.	McGregor, G.
Dawson, A.	Smith, M. S. C.
Dobson, H.	Stewart, J. C.
Givens, T.	Story, W. H.
Gray, J. P.	Styles, J.
Henderson, G.	Turley, H.
Higgs, W. G.	*Teller:*
Keating, J. H.	Pearce, G. F.

NOES.

Baker, Sir R. C.	Symon, Sir J. H.
Fraser, S.	Zeal, Sir W. A.
Gould, A. J.	*Teller:*
Pulsford, E.	Walker, J. T.

PAIRS.

de Largie, H.	Neild, J. C.
Matheson, A. P.	Drake, J. G.

Question so resolved in the affirmative.

Amendment agreed to.

Senator PEARCE (Western Australia).—We are all desirous, I am sure, of applying the prohibition to opium, except for medicinal purposes. We have inserted words which provide for the State control of the liquor traffic. The remainder of the clause provides for the prohibition of liquor and opium except for medicinal purposes, and if we strike out the words "intoxicants or" wherever they occur, and it is made clause 21A, it will be a prohibition of opium except for medicinal purposes. I therefore move—

That the words "intoxicants or," line 1, be left out.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—The first paragraph of the clause has been struck out, and in lieu thereof a provision for some kind of Government control has been inserted. My honorable friend now proposes to amend the remaining portion of the clause so as to make it read as a prohibition against opium, except for medicinal purposes. It is inadvisable that that amendment should be made, because the existing law deals with that subject. Another reason is that if the amendment were made, it would be necessary to make a series of amendments.

Senator PEARCE.—I shall be willing to follow the honorable and learned senator's advice on the question.

Senator Sir JOSIAH SYMON.—Since the prohibition of liquor has been struck out, clauses 22 and 23 must also come out, because they repeal the existing legislation, and. if retained, the last condition of the Territory would be very much worse than the first. Clause 22 reads—

No person shall, except under the provisions of this Act, supply to any native . . . any intoxicating liquor or opium.

There will be no provisions in the Act dealing with the prohibition of intoxicants, so that clauses 22 and 23 must come out. The reason why they were inserted in the Bill is because it is provided at the end of clause 21 that—

Every Ordinance passed before the commencement of this Act, providing for or permitting the importation, manufacture, sale, or disposal of intoxicants or opium in New Guinea, is hereby repealed.

The ordinance to which I referred is repealed by the provision; therefore it had to be re-enacted in clauses 22 and 23. That part of clause 21 must come out in any case, not only because it repeals the ordinance so far as it relates to liquor, but also so

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far as it relates to arms and ammunition. If we amended the clause in the direction in which my honorable friend proposes, it would involve very great controversy. When I read the provisions in the ordinance, he will see that for the present—and this subject can be dealt with next session—there is ample restriction on the importation and sale of opium as well as of intoxicating liquor. Section 2, which corresponds with clause 22, reads as follows:—

> No person shall, except as hereinafter permitted, supply to any native by sale, gift, or in any other way, either directly or indirectly, any firearm, ammunition, explosive, intoxicating liquor, or opium; and any person offending against any provision of this section, shall, on conviction in a summary manner, be liable to a fine of not less than £20 and not exceeding £200, and to imprisonment for any term not less than one month and not exceeding two years.

Then section 4, which corresponds with clause 23 of this Bill, imposes a penalty upon any native for having in his possession any of these things, including intoxicating liquor or opium, and empowers any Government officer exercising judicial functions in a summary way to direct that such articles shall be confiscated, and so on. I would suggest to my honorable friend that he should not press his amendment as to opium at the present time, and then we shall be able to reconsider clauses 22 and 23, with a view to their omission.

Senator PEARCE (Western Australia).—The argument of the Attorney-General has convinced me, and I am confirmed in the view I now take by a reference to clause 43 of the Bill, which says that—

> Any Ordinance relating to the supply of arms, ammunition, explosives, intoxicants, or opium to natives—

has to be submitted to the Governor-General. I therefore ask leave to withdraw the amendment.

Senator GIVENS (Queensland). — I should like to have an assurance from the Attorney-General that there is a reasonable prospect that this Bill will be dealt with by another place if it is passed by the Senate. I am led to believe that it is not likely to be passed. If that is so, we should proceed with business that there is a reasonable chance of having placed upon the Statute-book. We ought not to waste time. I am told that we have already wasted a considerable amount of time to-day.

Senator Sir JOSIAH SYMON.—I have not made any reference to wasting time. I do not think that reasonable discussion is wasting time. I take quite the contrary view. I have every reason to believe that if this Bill goes down to another place containing no fresh controversial amendments there is every probability of its becoming law.

Senator GIVENS.—Will this amendment be regarded as controversial?

Senator Sir JOSIAH SYMON.—I have every reason to believe that there is every probability that the amendment which has been carried at the instance of my honorable friend Senator Pearce will be agreed to, and that the Bill will become law. Perhaps I am sanguine, but that is my belief, and we should certainly make an effort to secure the passage of the measure this session.

Amendment, by leave, withdrawn.

Amendment (by Senator PEARCE) agreed to—

> That all the words from "No intoxicants" to the end of the clause be left out.

Clause, as amended, agreed to.

Postponed clause 31 (Legislative Council)—

Senator STANIFORTH SMITH (Western Australia).—I had intended to move an amendment in this clause, giving the white inhabitants of British New Guinea limited representation, but in view of the remarks which have just fallen from the Attorney-General, in which he said that if there were no fresh controversial amendments, there would be a probability of the Bill becoming law, I do not intend to proceed with my proposal. If, however, the Bill is passed, I intend next session to introduce an amending Bill, giving limited representation to the white inhabitants. I desire to see this measure placed upon the Statute-book. It may be jeopardized by the introduction of a further controversial amendment, which will give rise to a long discussion. I am not disposed to take up further time, but simply intimate that I drop my amendment for the present.

Senator GIVENS (Queensland).—I agree with Senator Smith that it is of very little use to endeavour to insert new provisions in the Bill at this stage of the session, especially if they are of a controversial character. It appears that an amendment of the character indicated by the honorable senator would give rise to considerable controversy. My own information is that it is scarcely likely that the Bill will be dealt with by another place at all. If that is so, it shows the uselessness of introducing serious legislation

of this character at this late period of the session. A Bill which grants a Constitution to British New Guinea imposes a serious responsibility upon us. It ought not to be passed without the fullest consideration. I therefore protest against the manner in which the Bill has been introduced. But as it is exceedingly necessary that some kind of a Constitution should be adopted, as the Bill will in some respects meet the requirements, and as there is no probability of its passing if we further amend it in a serious direction, all I can do is to utter a strong protest, and to express the hope that on a future occasion we shall have ample opportunities to amend it.

The CHAIRMAN.—May I say, speaking not as Chairman, but as a senator, that I think it is a pity that the Committee are apparently agreed upon passing the Bill without any provision in it conferring representative rights upon the citizens of New Guinea, and I hope that next session Senator Smith will be able to get an amending Bill passed. One of the great blots upon this Bill is that the people who are doing the pioneer work in the Possession will have no elective rights in regard to the choosing of the Legislative Council.

Senator GIVENS (Queensland).—Before we agree that the clause under discussion shall remain unamended, will the Attorney-General give us an assurance that an opportunity will be afforded to reconsider the matter when Parliament meets next session? Of course, I ask for that assurance so far as the Attorney-General can give it. He may not be in office at that time. But if he is, I hope he will be able to afford us the opportunity for which we ask.

Senator Lt.-Col. Gould.—There will be days for private business.

Senator GIVENS.—It is so serious a matter to interfere with the Constitution of the Territory that I am sure that the Attorney-General will agree that any measure of the kind should be introduced by the Government. It should not be undertaken by a private senator. Facilities should be afforded for considering the subject fully. I think that is a reasonable request.

Senator Sir JOSIAH SYMON.—I cannot give any assurance. Of course, the matter is entirely in the hands of the Senate. When Parliament re-assembles after the recess, any honorable senator can initiate a new Bill, and, as Senator Smith proposes to do, press it forward in this House, and have it sent up for the consideration of the House of Representatives.

Senator DOBSON (Tasmania).—If we are to have further legislation with regard to the representation of the white population of British New Guinea, I shall be glad if the Attorney-General will request Mr. Atlee Hunt, the Secretary for External Affairs, who I understand is about to visit the Possession, to collect information as to the white population who may be there. We do not seem to have a complete record of the number of white people in the Possession. I should like to know whether any census has ever been taken. Even the most democratic senator will recognise that before we offer any form of representative government to British New Guinea, we ought to have accurate information as to how many white people there are there, who they are, and what they are doing. I think that is a matter that Mr. Atlee Hunt might inquire into while he is visiting the place.

Clause agreed to.

Motion (by Senator Sir Josiah Symon) proposed—

That clauses 22 and 23 be reconsidered.

Senator WALKER (New South Wales).—I move—

That the following words be added—"and also clause 20."

I only submit this motion *pro forma*, because we are told that there is a prospect of new legislation affecting New Guinea being brought forward next session. That being the case, I do not intend to press my proposal; though I, for one, strongly regret that the Bill as it stands runs counter to an ordinance already in existence in the Possession. That ordinance permits the sale of land on conditions under which the rights of the natives are preserved. It is called the Land Ordinance of 1899. We must not forget that contiguous to the Possession are German and Dutch New Guinea; and I am very much afraid that if permission is not given to alienate land, our Possession will be placed at a great disadvantage as compared with other portions of New Guinea, which are not under our government. Every one who has any knowledge of business knows that persons who have freehold property are more inclined to spend money and to improve their holdings than are those who have leasehold land. The ordinance to which I have referred prohibits dealing in land with natives, and imposes a penalty up to £100, or imprisonment for a period not exceeding twelve

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months. It provides, further, that after sufficient inquiry the Administrator, on behalf of the Crown, may purchase native lands in perpetuity, or upon "such terms and conditions as may be agreed upon" by the Administrator, and the owner or owners of the land. It also provides that such lands are to be held either as Crown lands or for sale in fee-simple, or, I presume, on lease; that lands may be granted to missions; and that they may be reserved for public purposes. Senator Smith told us a few days ago that about 750,000 acres are said to have been acquired by the Government under this ordinance. Consequently, that is all the land that is available for sale. But not more than 50,000 acres have been alienated. I may remark that some time ago the local Government were in favour of granting land on certain terms to the Hall Sound Company; but before doing so, they thought it right to consult the Governments of the Colonies that had granted £20,000 a year. It was then found that such a proposal did not meet with their approval. I had the honour to be one of the directors of the company. If the concession had been granted, we should have spent a considerable amount of money. Our object was the *bona fide* settlement of the place. We intended to go in for cultivation. I did not enter into the affair with the object of making money. If I had done, I certainly should not have made any. If we do not establish industries of some kind in the Possession, it will be a very long time before British New Guinea becomes a self-supporting country. If, during next Parliament, as Senator Smith seems to expect, a Bill is introduced to amend the provision dealing with the Legislative Council of New Guinea, I shall, if spared, endeavour to bring forward a clause to provide for the sale of land in New Guinea. I now ask leave to withdraw my amendment.

Senator GIVENS (Queensland).—I do not know whether Senator Walker was in order in discussing an amendment for the reconsideration of clause 20, without really moving the amendment.

Senator WALKER.—The Attorney-General asked me not to press the amendment.

Senator GIVENS.—The honorable senator has attained his object by discussing his proposed amendment in the Bill.

Senator Lt.-Col. GOULD.—Why should he not?

Senator GIVENS.—I have not the slightest objection, but I point out that honorable senators who do not agree with Senator Walker on this question should have an equal right to state their objections to his proposal.

Senator McGREGOR.—But Senator Givens is getting his own way in the matter.

Senator GIVENS.—Senator McGregor's pet Bill will come on soon enough, and the honorable senator need not expect that other honorable senators will sacrifice the public interests to suit his convenience. Before proceeding to address myself in any way to the subject, I ask whether I shall be in order in doing so?

Senator Lt.-Col. GOULD (New South Wales).—I am very sorry Senator Walker has found it necessary to withdraw his amendment, because in my opinion the matter with which it deals is of the greatest importance, as affecting the future interests of New Guinea. I agree entirely with the honorable senator in the suggestion that it should be left to the Executive to grant land in fee simple if it sees fit. I believe that it would do more to advance the interests of New Guinea to allow the land alienation to take place under wise restrictions, and careful administration, than to prohibit it altogether. As Senator Walker does not propose to persist with his amendment, because of the late period of the session, I shall raise no objection to the course he has taken, but I consider it a great pity that so important a matter has not been fully considered in the Senate, especially in view of the fact that in another place honorable members seem to have been entirely in favour of non-alienation. I hope that an opportunity will be afforded to deal with the matter next session.

Senator McGREGOR (South Australia).—I ask Senator Givens to restrain his unnecessary impetuosity. I must inform the honorable senator that I have no "pet Bill" which I am exceedingly anxious to bring forward. He should have no objection to Senator Walker being allowed to withdraw his proposal for the reconsideration of clause 20, when the principles which he so earnestly advocates are already embodied in the Bill. I am sure that with many other honorable senators I am as much interested in those principles as is Senator Givens. We say nothing, because what we want is already contained in the Bill. We do not desire to delay the passage of the Bill when it provides for all that we ask.

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Senator GIVENS (Queensland).—Senator McGregor is not putting the matter fairly. Senators Walker and Gould have been allowed to make an attack on the principle of non-alienation, whilst no reply is made by those who hold a different view. It is no fault of mine that those honorable senators did not have an opportunity to deal with this matter before. I am awaiting a ruling from the Chairman as to whether I shall be in order in discussing the matter at this stage.

Amendment, by leave, withdrawn.

Original question resolved in the affirmative.

In Committee (Recommittal):

Clauses 22 and 23 left out.

Bill reported with further amendments.

Motion (by Senator Sir JOSIAH SYMON) agreed to—

That the Standing Orders be suspended to enable the Bill to be passed through its remaining stages without delay.

Motion (by Senator Sir JOSIAH SYMON) proposed—

That the report be adopted.

Senator STEWART (Queensland).—I should not have said anything at this stage of the Bill had I not been under the impression that Senator Smith intended to move an amendment providing for the election of certain members of the Legislative Council.

Senator Lt.-Col. GOULD.—That is to be left over until next session.

Senator STEWART.—I think that it should be dealt with now. I am to blame for having not been in the Chamber when that was decided on, as I should otherwise have moved the insertion of a clause of the kind. I think it is a very great misfortune that such a clause has not been inserted.

Senator MULCAHY.—We are announcing our intention to amend this Constitution before we have actually passed it.

Senator STEWART.—What I complain of is, that an honorable senator should have given notice of an important amendment, and should afterwards have abandoned it without any intimation to the Senate.

The PRESIDENT. — Senator Smith made a speech on the subject.

Senator STEWART.—I admit that I should have been here. I still hold that it is a great pity that such a clause has not been inserted in this Bill, and I hope that the defect will be remedied next year.

Question resolved in the affirmative.

Report adopted.

Bill read a third time.

SEA CARRIAGE OF GOODS BILL.

In Committee (Consideration of House of Representatives' Amendments).

House of Representatives' Amendment.—After clause 1, page 1, insert new clause:—

"1A. This Act shall commence on the 1st day of January, One thousand nine hundred and five."

Senator Sir JOSIAH SYMON (South Australia — Attorney-General).—We may safely consent to this amendment without relinquishing any of our constitutional rights, because it is merely a transposition of clause 7 as the Bill left the Senate. I move—

That the amendment be agreed to.

Motion agreed to.

Clause 3—(Application of Act).

House of Representatives' Amendment.—Insert new sub-clause:—

"This Act shall not apply to any bill of lading or document made before the thirtieth day of June, One thousand nine hundred and five, in pursuance of a contract or agreement entered into before the passing of this Act."

Senator Sir JOSIAH SYMON. — I move—

That the amendment be agreed to with the following amendment:—"That the words 'passing of this Act' be left out, and the words 'seventeenth day of November, One thousand nine hundred and four,' inserted in lieu thereof."

The date which I propose to insert is that on which I presented the Bill, and moved the first reading. If the words "passing of this Act" were allowed to remain, it would leave the door open—though I do not suppose that such a thing would be done—to arrangements being made with a view to getting the benefit of the amendment made by the House of Representatives.

Senator TURLEY (Queensland).—The Attorney-General has not given us adequate reason for his proposal. I understand that the amendment made by the House of Representatives means that the Bill shall not apply to existing contracts made before the 30th June next, which is practically six months from the date of the measure coming into operation. Is this the point that was raised by Senator Dobson about contracts which were being entered into?

Senator DOBSON.—Yes, but I referred to contracts which had been entered into.

Senator TURLEY.—I understood that Senator Dobson, when speaking on a previous occasion, referred not to contracts which had been entered into, but to contracts which the shippers were now making.

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Senator DOBSON.—I was speaking of two years' contracts, which had been entered into, to cover last season and this season.

Senator Sir JOSIAH SYMON.—It was Senator Pulsford who said that there ought to be an extension to the 15th February, as otherwise there would not be time to make contracts.

Senator TURLEY.—Then it was Senator Pulsford who said that contracts were now being entered into?

Senator Sir JOSIAH SYMON.—No; but, at any rate, my amendment will exclude all contracts subsequent to the date I have proposed.

Senator TURLEY.—Would that not prejudicially affect some people who are in a similar position to others, whose contracts will be exempt. Will people not be prejudiced, who have in good faith entered into contracts since the 17th November? If that be so, it would hardly be fair to those people whose bills of lading will be altogether different from the bills of lading of others who are practically engaged in the same business.

Senator CLEMONS (Tasmania).—I suppose it is because the Attorney-General is appearing as a man of peace, that we have this concession granted, nominally to the House of Representatives, but really and truly to those ship-owners who have been raising an agitation. The Attorney-General is proposing, practically, to declare a close season for bills of lading from the 17th November, 1904, to the 30th June, 1905.

Senator WALKER.—If the agreements have been made before the 17th November.

Senator CLEMONS.—Under any circumstances, those bills of lading are protected from November until next June.

Senator TURLEY.—While others will be subject to this Bill.

Senator CLEMONS.—All the contracts which this amendment protects will be made under the old bills of lading, and they will be made on terms much more favorable than could be obtained from the shipping companies, after the passing of the Bill.

Senator GRAY.—Not necessarily.

Senator TURLEY.—Have there been any contracts entered into since the date mentioned in the amendment?

Senator Sir JOSIAH SYMON.—If there are they will not be protected.

Senator CLEMONS.—The contracts entered into before the 17th November are under the old form of bills of lading, and th[illegible]e at the lower freights. We have recognised all along that as soon as this legislation is enforced the probability is that freights will be raised.

Senator GRAY.—Not necessarily.

Senator CLEMONS.—But I think there is great probability that the freights will be raised.

Senator Sir JOSIAH SYMON.—I do not think so.

Senator CLEMONS.—I am certain an attempt will be made to raise the freights. Those contracts, at any rate, are undoubtedly on more favourable terms than any man could now obtain, and the persons who have made them will be able to dictate terms to the shipper. In other words, the little shipper who has not previously made a contract will be unable to obtain such favorable terms as are enjoyed by those whom we have called the middlemen.

Senator MULCAHY.—That is inevitable, anyhow.

Senator CLEMONS.—I am glad that some honorable senators recognise the fact which I have insisted upon all along. If the Attorney-General is going to be a man of peace, and give way to the shippers, I suppose I shall have to follow his example, though I do not like to do so. Not only the ship-owners, but the men who make the big shipping contracts, have had a great concession made to them.

Senator DOBSON (Tasmania).—I am very glad that this clause has been inserted. Although I have obtained what I want in regard to the fruit merchants of Tasmania, I do not think that the Bill is quite just to others. The fixing of the month of June will carry us over the fruit season, but if there are contracts for rabbits, butter, or other perishable products, and those contracts have been made in good faith, they ought to be protected. I am not interested in those other contracts, but I do not like to hear Senator Clemons, who ought to know something about justice, say that there is a concession. There is no concession; it is merely a matter of justice, and does not go far enough. It has been pointed out by the press that there are two sides to this question. There is the ship-owners' side, and, although I am interested on the part of the shippers, I do not think we have quite sufficiently considered the former.

Senator Sir JOSIAH SYMON.—We have considered them sufficiently.

Senator DOBSON.—The clause will remove some injustice, but not all.

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Senator TURLEY (Queensland).—This is not a concession to the shippers, but, practically, protects the interests of the shipowners who have already entered into contracts. Contracts which have been entered into will be void, and others will have to be made; and, so far as I have been able to glean from previous debates, there is no protection to the grower—to the man who does not make any contract with the shipping company. In Tasmania there appears to be a system of two or three firms taking up all the available space, and letting it out to any growers who require it. I further understand that the growers, knowing that those firms secure all the space, are not usually in a particular hurry to enter into a contract until the freight is ready; and the effect of the amendment will be that two or three firms I have mentioned will have their contracts exempt, and will be able to make more out of the growers. There will be no other space available at the same price; and from this point of view, it seems that we may be doing a positive injustice.

Senator DOBSON.—No; all the arrangements are now made.

Senator TURLEY.—Have the growers already made arrangements with the men who have the space?

Senator DOBSON.—Yes.

Senator TURLEY.—From what Senator Clemons said, I took it that he, as one who understands the trade, believes that there are growers who have not yet made arrangements.

Senator DOBSON.—The great bulk of them have.

Senator TURLEY.—I know precisely what this sort of trade usually is. When the growers know that some person has entered into a contract for space, and is willing to sub-contract at any time, they are not in the habit of entering into a contract with the shipper before their produce is ready for shipment. This amendment would place them at a decided disadvantage. Shippers, knowing that space could not be obtained elsewhere at the same rate, would be inclined to take advantage of their position, and put up the rates against those growers who were looking round for space. If that is the effect which the amendment would have, I should not have the slightest hesitation in voting against it.

Senator DOBSON.—That would not be the effect.

Senator TURLEY.—From what I could glean from the speeches made on this question when it was previously considered, supplemented by the expression of opinion we have had from Senator Clemons, who I believe knows something about the subject——

Senator DOBSON.—He does not know anything about this business.

Senator TURLEY.—If Senator Dobson says that we have been listening to a Tasmanian senator who knows absolutely nothing about the business, it is of no use for me to say anything more.

Senator MULCAHY (Tasmania). — I should like to be quite certain as to the effect of the amendment. When Senator Dobson pointed to possible trouble the other night, and asked for such an amendment as I understand is now proposed——

Senator MCGREGOR.—But he asked for more.

Senator MULCAHY.—I know that, but the honorable and learned senator's principal object was to protect the shippers and producers of Tasmania, and of course other States, with regard to existing contracts. The position in my State is not quite understood by Senator Turley. Unfortunately there is a want of cohesion and cooperation amongst the growers, and but for the action of two or three firms who have received a little revilement here rather than the praise which I think they deserve, it is doubtful if we should have had these large ships coming along as quickly as they have and catering for us. What these firms do is to enter into a contract which suits the steam-ship companies. The latter have not to arrange with the producers, but are assured of their space being taken, and the contractors let out the space at exactly what they pay for it.

Senator TURLEY.—At what they pay?

Senator MULCAHY.—In addition to a commission of 3d. per case on the shipment of fruit, they charge the same rate of freight as they pay to the steam-ship companies.

Senator GIVENS.—Can the honorable senator guarantee that there is no secret commission given, such as we have heard of here?

Senator MULCAHY.—I can guarantee that the firms I have known since my boyhood are reputable, and would be above any mean, contemptible practice of that kind.

Senator GIVENS.—There are a few here who are not.

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Senator MULCAHY. — Because there happen to be one or two rogues in Victoria, I do not think that the whole world is dishonest. What I wish to ascertain is whether the contracts in existence on the 24th November will be respected under this amendment. It does not do quite all that is asked, but it is sufficient for the Tasmanian apple exporters.

Senator Lt.-Col. GOULD (New South Wales). — The proposal to insert this proviso is simply an act of ordinary justice to those who have entered into contracts. From its wording, it is perfectly clear that any contracts entered into before the passing of the Act would be respected. I take it that any contracts which were entered into to-day would be perfectly good if the Bill were assented to to-morrow.

Senator TRENWITH.—But the Attorney-General has proposed an amendment to apply the provision to contracts in existence on the 17th November last.

Senator Lt.-Col. GOULD.—It has been urged that this provision might put shipowners in different positions. A man who makes his arrangement to-day, or after the Bill comes into operation, will be in a more unfavorable position than a man who has already entered into an agreement, but that is one of the inevitable results when men make their contracts ahead. If the operation of the Act had been made to commence on the 1st July next, that difficulty would have been got over. There is no time to reconsider that question, and I think it will be very much better for honorable senators to accept the Bill as it stands. with the suggested amendment of the Attorney-General.

Motion agreed to.

Clause 4—

Where any bill of lading or document contains any clause, covenant, or agreement whereby—

. . . .

(*b*) the obligations of the owner or charterer of any ship to exercise due diligence, and to make and keep the ship's hold, refrigerating, and cool chambers, and all other parts of the ship in which goods are carried, fit and safe for their reception, carriage, and preservation, are in any wise lessened, weakened, or avoided; or

. . . .

that clause, covenant, or agreement shall be illegal, null and void, and of no effect.

House of Representatives' Amendment.—After "diligence," line 4, insert "and to properly man, equip, and supply the ship, to make and keep the ship seaworthy."

Senator Sir JOSIAH SYMON. — I move—

That the amendment be agreed to, with a consequential amendment substituting the word "any" for the word "the" at the beginning of paragraph *b*.

The effect of this alteration will be that every clause exempting the owner or charterer from the liability to properly man and equip, and to make him keep the ship seaworthy, is declared null and void.

Senator GIVENS (Queensland).—I desire to know from the Attorney-General whether this amendment will carry out the object we have in view?

Senator Sir JOSIAH SYMON.—Yes.

Senator GIVENS.—In what way will it be effective when it is all governed by the word "properly"? Have we any definition of the word?

Senator Sir JOSIAH SYMON.—I think that any dictionary will supply that.

Senator GIVENS.—It might be held that a vessel which was carrying only one-half of her proper crew was properly manned, when there was no definition of the term. Does it mean ten or twenty men for so much tonnage?

Senator Sir JOSIAH SYMON.—That will all be provided for.

Senator GIVENS.—There is no provision in regard to that matter.

Senator Sir JOSIAH SYMON.—But there will be in the Navigation Bill.

Senator GIVENS.—We have no law yet as to the proper manning of a vessel.

Senator Sir JOSIAH SYMON.—I dare say that some provision of that sort will be made in the Navigation Bill.

Senator TURLEY.—Will it apply to ships which carry that line of produce?

Senator Sir JOSIAH SYMON.—As regards matters of seaworthiness and so on, it will, I hope. The words in the Harter Act are to properly equip, man, provision, and so on.

Senator GIVENS.—The word "properly" has a distinctive meaning there.

Senator Sir JOSIAH SYMON.—It has no more distinctive meaning there than it has here. "Properly" is a much wider and better word to use certainly in the absence of any rigid provision as to manning, and so on. To properly man is an element in seaworthiness, and that is why the expression is used in that way.

Senator GIVENS.—We have not a standard to judge by.

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Senator Sir JOSIAH SYMON. — The Courts establish standards. We know perfectly well that if a ship were sent to sea with a man and a boy when she ought to carry twenty men and ten boys, she would not be properly manned. It is all a question of what is proper in the management of a ship for the purpose of seaworthiness.

Motion agreed to.

Clause 5—

All parties to any bill of lading or document relating to the carriage of goods from any place in Australia to any place outside Australia shall be deemed to have intended to contract according to the law of the Commonwealth, and any stipulation or agreement to the contrary, or purporting to oust or lessen the jurisdiction of the Courts of the Commonwealth or of a State in respect of the bill of lading or document, shall be illegal, null and void, and of no effect.

House of Representatives' Amendment.—Omit "law of the Commonwealth," line 5, and insert "laws in force at the place of shipment."

Senator Sir JOSIAH SYMON. — I move—

That the amendment be agreed to.

This amendment does not lessen the effect of the provision, because, of course, it would mean the law of the Commonwealth if it only were in force there. It was put in this form, so that if in addition to the law of the Commonwealth there were any State law dealing with the subject, it should also, if applicable, operate.

Senator STEWART.—But the Commonwealth law will override the State law.

Senator Sir JOSIAH SYMON. — If there is a law of the State we do not wish to repeal it.

Motion agreed to.

House of Representatives' Amendment.—After clause 6 insert new clause—

"6A. (1) In every bill of lading or document with respect to goods, a warranty shall be implied that the ship shall be, at the beginning of the voyage, seaworthy in all respects and properly manned, equipped, and supplied.

(2) In every bill of lading or document, with respect to goods, unless the contrary intention appears, a clause shall be implied whereby, if the ship is at the beginning of the voyage seaworthy in all respects and properly manned, equipped, and supplied, neither the ship, nor her owner, master, agent, or charterer shall be responsible for damage to or loss of the goods resulting from—

(*a*) faults or errors in navigation, or
(*b*) perils of the sea or navigable waters, or
(*c*) acts of God or the King's enemies, or
(*d*) the inherent defect, quality, or vice of the goods, or
(*e*) the insufficiency of package of the goods, or
(*f*) the seizure of the goods under legal process, or
(*g*) any act of omission of the shipper or owner of the goods, his agent or representative, or
(*h*) saving or attempting to save life or property at sea, or
(*i*) any deviation in saving or attempting to save life or property at sea."

Senator Sir JOSIAH SYMON — I move—

That the amendment be agreed to, with an amendment omitting the words "or document" in paragraphs 1 and 2.

With one alteration, this clause is a copy of the provision in the Harter Act. I should have proposed its insertion before, but in my view it is unnecessary. It is simply recapitulating the perils and consequences from which a ship-owner is exempted at common law, and which we do not touch by the provision prohibiting him from contracting himself out of it.

Senator TURLEY. —Is he exempt from faults of navigation?

Senator Sir JOSIAH SYMON.—It will be better, perhaps, if I explain the origin of the clause. In the Harter Act the words "or in the management of the vessel" appear. I had those words struck out when the amendment was shown to me as about to be moved in another place, for this reason—that a case was recently decided in England, in which the learned Judge—Mr. Justice Kennedy—gave a decision, the effect of which might seriously prejudice our shippers. The case was one in which a cargo of butter, owing to carelessness in the management of the temperature of the cool chambers, had been frozen and spoilt. The Judge decided that the ship-owner was not liable, because he considered that carelessness in connexion with the temperature of the cool chamber was part of the management of the vessel. Of course, that would defeat the object of our Bill to a great extent. In the other House this point was mentioned and considered. The only amendment which it is necessary to make is to strike out the words "or document." Although we have the words "or document" in an earlier clause, they were put in there because a ship-owner might escape from the obligations of this measure by contracting himself out of his liability for negligence, by means of an agreement which was not embodied in the bill of lading. Therefore it was necessary for us to take into account, not merely the bill of lading, but any other documents. But that does not apply to this clause, which, in point of fact, is merely to establish a statutory form of bill of lading;

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and if the bill of lading is limited to the exceptions mentioned, and we make it illegal to put in other stipulations relieving the ship-owner from negligence, the measure is very satisfactory.

Senator TURLEY.—That partly nullifies the effect of the Bill.

Senator Sir JOSIAH SYMON.—Oh, no. A "fault of navigation" would not include bad stowage, negligence in regard to the temperature in the cool chambers, and so on, and would not minimize in any degree the protection given to the shipper in respect to his goods.

Motion agreed to.

Clause 7—

This Act shall come into operation on the 1st day of January, One thousand nine hundred and five.

House of Representatives' Amendment.—Omit this clause.

Motion (by Senator Sir JOSIAH SYMON) agreed to—

That the amendment be agreed to.

Resolutions reported; report adopted.

KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY BILL.

SECOND READING.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I move—

That the Bill be now read a second time.

It seems to me to be scarcely necessary to say—but I do so to prevent any possible misunderstanding—that the Bill is not for the construction of the line. There has been a sort of atmosphere created around this question, flowing, it appears to me, from some kind of misapprehension on the subject.

Senator MULCAHY.—We know very well what it means.

Senator Sir JOSIAH SYMON.—Well, that is one thing that it does not mean; it does not mean the construction of the line. I wish that to be perfectly clear, so that honorable senators may not be led away into arriving at a wrong conclusion by any mistaken impression of that kind. The Bill does not commit, and is not intended to commit, the Senate or this Parliament collectively or individually to the construction of a transcontinental railway line, connecting South Australia with Western Australia.

Senator DOBSON.—If there is no intention to construct the line, why go to the expense of the survey?

Senator Sir JOSIAH SYMON.—I do not say that. My honorable friend is putting into my mouth words which I have not used.

Senator DOBSON.—The Prime Minister said that the Government were committed to it already.

Senator Sir JOSIAH SYMON.—Will my honorable and learned friend permit me to go on? I am moving the second reading of this Bill, and I may be allowed to place my view of it before the Senate. I do not think that any long discussion is necessary. If this were a Bill for the construction of the line, there would be scope for very extensive discussion on the subject. It is because the Bill does not commit this Parliament or the Commonwealth to the construction of the line, that I venture to think that there is no room for a very long debate. Nor do I think that any such discussion is needed.

Senator MULCAHY.—The Attorney-General must allow us to have our own opinion as to the moral effect of passing the Bill.

Senator Sir JOSIAH SYMON.—I am hopeful that even my honorable friend who interjects, will be in favour of passing this Bill with the same reservations as I apply to myself—that it does not commit me, as it does not commit him, to vote for the construction of the line, unless he is convinced, when that project comes before Parliament, of the necessity for doing it. I hope that honorable senators have an open mind upon the question so far, and that they are open to consider the reasons and the additional information which I am about to supply. In the first place, we all know that Western Australia, undoubtedly, wants the line. There can be no question about that. I think, also, that my honorable friends will agree with me that I am perfectly frank when I say that at present I am not in favour of the construction of the line. I wish that to be distinctly and clearly understood. Therefore, the arguments which I propose to offer in moving the second reading of this Bill are emphasized and strengthened by the fact that I do not support construction now, and do not advocate the Bill as part of the policy of the Government on the ground that it is equivalent to authorizing the construction of the line.

Senator PEARCE.—The Attorney-General cannot be said to be a partisan.

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Senator Sir JOSIAH SYMON.—No; and the reasons which I propose to lay before the Senate ought to appeal to honorable senators with additional force on that ground.

Senator DOBSON.—The honorable senator does not pretend that he is a free agent?

Senator Sir JOSIAH SYMON.—I am absolutely a free agent on this subject; and if I were sitting, like my honorable and learned friend, Senator Dobson, on a comfortable seat, instead of occupying a hard chair at the table, I should take exactly the same course as I am taking now, and the same reasons which would impel me under those circumstances, influence me now. If this were a Bill to authorize the expenditure of £5,000,000 or £6,000,000 for the construction of this line, the probability is that I should not be in charge of it. I think that all will admit that it is a perfectly legitimate Federal aspiration on the part of Western Australia that this line should be constructed.

Senator MULCAHY. — On what grounds does the honorable and learned senator base that statement?

Senator Sir JOSIAH SYMON.—Western Australia is a part of the Commonwealth, and is at present largely isolated from the rest of the Commonwealth. Quite apart from the question whether this large amount of money should be raised for the purpose of its construction, no one can deny that Western Australia may, on broad Federal grounds, apart from selfish motives, legitimately advocate the railway, and legitimately push any steps she may think desirable in that direction. I go further. I say the time must come when this iron road between Port Augusta and the nearest point of railway construction in Western Australia will be constructed, and will be a symbol of that union which, although I am not in favour of the immediate construction of the line, I freely admit is to a certain extent incomplete without it.

Senator DOBSON.—A bridge across Bass Strait would be a better symbol.

Senator Sir JOSIAH SYMON. — Oh, that is it! Our honorable friends from Tasmania, represented by Senator Dobson, completely give themselves away. Because they cannot get a bridge across Bass Straits, they therefore oppose this much more legitimate and much smaller Federal work between the eastern States and Western Australia. What a sad confession!

Senator MULCAHY.—We have not had a single argument yet. If the honorable senator would give the Senate a few arguments in support of the proposal he would save time.

Senator Sir JOSIAH SYMON.—It is my duty, in advocating this Bill, to do two things; one is to offer affirmative reasons in its support, and the other is to demolish the flimsy reasons offered in opposition. I find that the Tasmanian reason is that this railway should not be approved until a bridge has been constructed across Bass Strait.

Senator DOBSON.—I said that would be a better symbol.

Senator MULCAHY.—The honorable and learned senator describes an £8,000,000 railway as a "symbol."

Senator Sir JOSIAH SYMON.—I am not now dealing with the probable cost of the line. We have an example before us in the United States of America. We know that the State of California for many years was looked upon as practically outside the United States, of which it formed a part, and that the full advantages of the Union were not enjoyed and were not appreciated until railways were constructed, by private enterprise, as we are aware, and on the land-grant system to which most of us object, uniting the east with the west in that country.

Senator STANIFORTH SMITH.—The honorable and learned senator might add that the line in that case was largely subsidized by the Federal Government, and not by the States Governments.

Senator Sir JOSIAH SYMON.—I am glad that my honorable friend has reminded me of that. I refer to the United States and California as occupying a very analogous position to our own in this respect. I do not advocate the immediate launching out into an expenditure of £5,000,000 or £6,000,000—not the inflated estimate to which reference has been made by Senator Mulcahy.

Senator MULCAHY.—I have had some experience of the difference between engineers' estimates and contractors' prices for the construction of railways.

Senator Sir JOSIAH SYMON.—I am aware that my honorable friend has occupied a distinguished position as a Minister of the Crown in Tasmania. I am saying

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that there is a close parallel between the condition of things in the eastern States of the Commonwealth and Western Australia, and that which existed between the eastern States of the United States and the State of California. The distance to be bridged over in this case is very much less than it was in the United States. The distance overland between Fremantle, the chief port in Western Australia, and Adelaide is 1,746 miles. Of course there are two portions of the distance already covered by railway—387 miles between Fremantle and Kalgoorlie, and 259 miles between Port Augusta and Adelaide, making a total of 646 miles, and leaving a gap of only 1,100 miles.

Senator STYLES. — That is to say, a transcontinental railway 1,100 miles long.

Senator Sir JOSIAH SYMON. — Yes, between Kalgoorlie and Port Augusta, of which 475 miles are on the Western Australian side of the border and 625 miles on the South Australian side.

Senator MULCAHY.—Is it not the other way about? Is not the larger section in Western Australia?

Senator Sir JOSIAH SYMON. — No; the larger section is on the South Australian side. By comparison with the similar work which had to be undertaken in the United States to unite San Francisco with the eastern States of that Union, this is a comparatively small undertaking. It seems to me that, although we may be opposed to granting to Western Australia all that she desires at once, or at all, for the matter of that, we might fairly concede what is asked by this Bill, and that is an investigation and the acquisition of the fullest materials possible, to enable us to exercise a sound and reasoned judgment when the entire project comes up for determination. That is what this Bill proposes. It is intended to obtain, by the best possible, and the only, process under the circumstances—I know of no other way—the information required, to enable us to deal with the whole subject.

Senator STYLES.—An accurate survey.

Senator Sir JOSIAH SYMON.—Yes, if honorable senators please, one on which tenders might be called for, so that we might have every possible information to enable us to arrive at a ripe and wise conclusion, unaffected by any elements of prejudice, which might arise from the consideration of wants of our own States, which we may perhaps consider should take precedence of this proposal.

Senator MULCAHY.—Why should not the States concerned supply us with this information.

Senator Sir JOSIAH SYMON.—I altogether deprecate some of the remarks which fall from honorable senators representing Tasmania. It has been suggested that the term "log-rolling" may be properly applied to this proposal. That is calculated to excite prejudice, but I do not think it is quite the way in which the proposal embodied in this Bill should be designated.

Senator DOBSON.—I am afraid that there will be more log-rolling over it than there has been over anything else.

Senator Sir JOSIAH SYMON.—Senator Dobson always warns everybody against anything of that kind, but I appeal to the honorable and learned senator to admit that the term is not applicable to this Bill. I have stated the broad grounds on which I put this measure. The second thing which may be considered—and it seems to me that the position is a very strong one—is the attitude of South Australia. I frankly admit that I believe that if she were asked South Australia would not pronounce in favour of the immediate construction of this line.

Senator DOBSON.—If the honorable and learned senator admits that, he kills the whole thing.

Senator Sir JOSIAH SYMON.—But South Australia is in favour of this Bill, and takes up the reasonable attitude of desiring information.

Senator DOBSON.—At our expense.

Senator Sir JOSIAH SYMON.—This is singular. I am aware that Senator Dobson is strongly opposed to this proposal, and I desire that he should consider the reasons in its favour. An additional reason is the attitude of South Australia. That State is not in favour of the immediate construction of the line, but she is strongly in favour of this survey.

Senator STYLES.—She will never be in favour of the construction of the line.

Senator Sir JOSIAH SYMON.—I think Senator Styles will do a very vain thing if he endeavours to prophesy.

Senator STYLES.—I shall give my reasons for thinking so.

Senator Sir JOSIAH SYMON.—I hope the honorable senator will. I think there is a good time coming in this matter. For the present all I seek is to substantiate the position which I say South Australia takes up in relation to this survey. Honorable sena-

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tors have before them a parliamentary paper laid on the table of the House on the 19th and 20th May, 1904, setting forth the telegrams which passed between the then Prime Minister and the Premier of South Australia. The first of them asked—

Whether, in the event of the Commonwealth Parliament favorably considering the question—

That was the construction of the railway—

you will be prepared to pass an Act authorizing the Federal authority to proceed with the work of construction.

The South Australian Government would not agree to that.

Senator STYLES.—They refused.

Senator Sir JOSIAH SYMON.—My honorable friend accepts the refusal part of it, but he does not accept the rest of it. I think he should accept it all. The Premier said, and I commend this to the attention of Senator Styles—

I advised your predecessor that if it was considered necessary that the State should pass an Act giving the Federal Government power to make the proposed survey, we should be agreeable to ask Parliament, when it next assembled, to pass a short measure with that object.

Senator STYLES.—The survey?

Senator Sir JOSIAH SYMON.—The survey in question.

Senator DOBSON.—Should not the Act of Parliament come first?

Senator Sir JOSIAH SYMON.—We can accept the assurance of a responsible Minister of the Crown, surely?

Senator DOBSON.—We have not the condition precedent.

Senator Sir JOSIAH SYMON.—We have the condition precedent, as my honorable and learned friend will see. It is the South Australian attitude to which I am referring—

I do not suppose you intend to ask your Parliament to pass legislation providing for the construction until the survey is made, and some reliable estimate prepared of the probable cost.

That is the attitude of South Australia, and in a subsequent telegram of 12th May of this year the Premier again said—

When the survey is made and reliable estimates of its probable cost are prepared we shall be pleased to advise you as to what action we shall then ask the State Parliament to take.

There was an intermediate telegram sent, pressing the then Premier of South Australia to advise as to the disposition of his Government towards the question of authorizing the construction. The Premier of South Australia did not want to commit himself on the question, and he said in effect, "Surely you do not want to press me to commit myself and my State until you have authorized the survey?"

Senator TURLEY.—Was the then Premier of South Australia not blamed for going back on the promise of another Minister?

Senator Sir JOSIAH SYMON.—I really do not want to go into that question. That has relation to communications—perfectly unauthorized, in my opinion—which passed from Ministers in South Australia at the time the Constitution was undergoing the process of discussion and approval by referendum, and when Western Australia was considering what course she should take. I wish honorable senators to dissociate their minds from the question of construction which was then under discussion, and to view this proposal on its merits. This is a Bill to acquire data and information, which, I believe, everybody desires to obtain, in order to be enabled to arrive at a sound conclusion. There was a report, presented by a Board consisting of engineers from New South Wales, Queensland, Victoria, and Western Australia, presided over by Mr. H. Deane. That report which has been printed, shows exactly what I have already submitted as the view of everybody who has considered the subject. The engineers did the best they could, but said—

The information to hand is not sufficient to enable us to speak with certainty and accuracy on all points. For instance, the particulars as to the possible sources of water supply for construction purposes and for locomotive use are extremely meagre, and the best route cannot be determined without further data, the obtaining of which will affect both the length of the line and its cost.

Senator DOBSON.—That data never was obtained.

Senator Sir JOSIAH SYMON.—We propose to obtain it now.

Senator DOBSON.—The data had not been obtained when the engineers gave their next report.

Senator Sir JOSIAH SYMON.—The object of the Bill is to obtain that data completely and authoritatively, to satisfy, amongst others, South Australia, which is what I might call a party opposed to the construction of the line at the present time. It is also to satisfy those experts whose advice may assist Parliament to determine whether or not the line ought to be constructed. At any rate, the extract which I have read substantiates what I have said as to the necessity to satisfy not merely laymen, and for the matter of that, we in the Federal Parliament—not merely to satisfy the

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ordinary mind, but the expert mind—as to the need and the feasibility of constructing the line at a fair and reasonable cost, having regard to the possibilities of traffic and so forth. Senator Dobson said that nothing had been done in regard to obtaining data, but, with great respect, I must say that the honorable and learned senator is mistaken. Western Australia has been doing a good deal towards obtaining information. For instance, there is a report from Mr. H. C. Castilla on boring operations for water along the proposed route. In addition, Mr. John Muir, reported at the cost of the Western Australian Government, to the engineer of that State, as to a preliminary examination of the country between Kalgoorlie and Eucla. It will be seen that Western Australia has not been idle in seeking, as far as possible, to supply data; but it is quite impossible for that State to go over the 625 miles in South Australia, in order to make a survey which, in my belief, even with the views I hold with regard to the construction of the line, is absolutely essential, in order to supply necessary information. I frankly admit that under many conditions there is not ordinarily a detailed survey on which tenders can be called, until it has been determined to construct a line. But this is an exceptional case in regard to which Parliament cannot determine to construct the line without having the fullest possible information.

Senator TRENWITH.—Is it proposed to have a detailed survey?

Senator Sir JOSIAH SYMON.—It is proposed to have a full, and, if I may use the term, exhaustive survey.

Senator TRENWITH.—On which quantities could be taken out?

Senator Sir JOSIAH SYMON.—As far as possible.

Senator DOBSON.—For £20,000?

Senator Sir JOSIAH SYMON.—After the fullest inquiry, the estimate of £20,000 was arrived at, and it has been confirmed by Mr. Deane, of New South Wales, an expert of eminence, who was chairman of the Board of experts, to which I have already referred, and who regards that as a fair sum to cover the cost. Honorable senators seem to think that this proposal is somewhat sudden, and that it has not been under the consideration of those who have had the interests, if I may say so, of the Commonwealth in their hands. The proposal was initiated, and has been proceeded with in Parliament by three Governments. In the first place, on the 20th April, 1904, the Deakin Government introduced a proposal in the House of Representatives for a survey to be made. The Watson Government came into power on the 27th April, 1904, and on the 9th June, Mr. Batchelor, the then Minister of Home Affairs, proceeded with the proposal as part of the Government policy. When the present Government came into power on the 18th August, this year, this Survey Bill took its place as part of their policy, and was included in the statement made in both Houses. The debate on the subject was resumed first in Committee in another place, and the appropriation message was carried by a large majority of something like 27 or 28. The Bill was then introduced, and the second reading was carried by a majority of, I think, 22. Of course, events in another place do not at all bind the Senate, and I do not mention these facts with a view to in any way overbear any honorable senator's judgment, but merely as worthy of consideration. On two occasions the proposal has been adopted by large majorities in another place.

Senator DOBSON.—That does not make the proposal any the better.

Senator Sir JOSIAH SYMON.—But the fact is one for consideration. We have to deal with the preponderance of public opinion.

Senator PEARCE.—Western Australia has only five representatives in another place.

Senator DOBSON.—The proposal has to be dealt with on its merits.

Senator Sir JOSIAH SYMON.—And I hope it will be dealt with on its merits. But we are here representing the people of Australia, and surely we ought to give some consideration to their opinion, as voiced in Parliament. Although we are not bound by what has happened elsewhere, we are not altogether to ignore the views of successive Ministries, or the views of the more numerous branch of the Legislature, which has quite lately come back, as a whole, from the constituencies.

Senator Sir WILLIAM ZEAL.—I think that the opinion has been manufactured—that it is not genuine.

Senator Sir JOSIAH SYMON.—The honorable senator may be able to show that that is so; but I take a different view. There is not room for any detailed debate, and on the grounds I have mentioned I very confidently submit the Bill for the acceptance of the House. I appeal to honorable sen-

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ators to assist in obtaining an early vote on the second reading. I believe that the passage of the Bill, without committing honorable senators to the construction of this great work now, or at any time, will serve the purpose of supplying adequate information which will enable this or some later Parliament to deal with the matter. In addition, I believe that even this small instalment will serve to cultivate and maintain the federal and friendly spirit which ought to prevail between east and west—that it will at least be an indication—I shall not use the word "symbol," to which Senator Dobson objects——

Senator DOBSON.—It is the Attorney-General's word.

Senator Sir JOSIAH SYMON.—I believe it will be an indication of the desire of the east to be linked in amity with the west.

Motion (by Senator STYLES) negatived.

That the debate be now adjourned.

Senator STYLES (Victoria).—There is one thing upon which we can all agree, and that is that this is not a party question. We are told that it is a Federal question. There are three groups of persons who think over this projected survey and line. The first group are represented mainly by the senators from Western Australia, who will have the railway made at all hazards. The second group objects to the Commonwealth being launched upon a career of borrowing £5,000,000 or £6,000,000 to construct a railway across what is practically a desert.

Senator PEARCE.—There is the *Age*—a desert!

Senator STYLES.—I made use of these remarks before ever they appeared in the *Age*, if that is any satisfaction to the honorable senator; but if I had copied them from the *Age* they are true. The third group, to which I find the Attorney-General belongs, regard the railway on its merits, and to that group mainly I shall address my remarks. But here let me say that the Attorney-General takes up an extraordinary position. He is willing to spend money on a survey for a railway to which he objects.

Senator Sir JOSIAH SYMON.—No; I object to its being constructed now.

Senator STYLES.—Why make a survey until the honorable and learned senator has made up his mind to construct the railway?

Senator Sir JOSIAH SYMON.—The survey will be as useful five years hence as now.

Senator STYLES.—The survey could be carried out five years hence as well as now. The honorable and learned senator tells us that it is going to be an accurate survey, from which a contractor could form an estimate, and that it can be done for £20,000. I do not care two straws who the man is who says that it can be done for that amount. I shall pledge my seat that it will cost nearer £50,000 if it is done in such a way that I could frame an estimate as a railway contractor. I have heard it said that it will cost £100,000, but the principle is just the same whether the cost be £20,000, or £50,000, or £100,000, or only £1,000. I object to the money of the Commonwealth being spent on it under any circumstances. I cannot help congratulating the Western Australian political engineers who are running this particular job.

Senator HENDERSON.—What job?

Senator PEARCE.—I rise to a point of order.

Senator STYLES.—I am not using the term in an offensive sense.

Senator PEARCE.—I ask, sir, that the honorable senator should be called upon to withdraw that remark.

Senator STYLES.—I did not use the word in an offensive sense.

The PRESIDENT.—The honorable senator did not necessarily apply the word to honorable senators.

Senator PEARCE.—He accused the representatives of Western Australia of being parties to a job.

The PRESIDENT. — The honorable senator is not in order if he refers to members of Parliament indulging in any political engineering. As I understood his remarks, he did not refer to members of Parliament at all.

Senator STYLES.—I did not intend to impute corruption in any way.

The PRESIDENT.—Do I understand the honorable senator to say that he did not intend to refer to members of Parliament?

Senator STYLES.—I was going to compliment Western Australian members on the astuteness with which they have handled this matter from the beginning.

Senator PEARCE.—The honorable senator said it was a job.

Senator STYLES.—I did not intend to convey a charge of corruption.

Senator PEARCE.—That is also a sneer, which has already appeared in the *Age*.

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Senator STYLES.—I did not see it in the *Age*, and I am not accusing the representatives of Western Australia of trying to perpetrate a job. If my honorable friend had been a railway man as long as I have, he would know that the expression is used every day on the railways all over the world. I propose to show how very clever Western Australians have been. To South Australia, through whose territory the railway will run for a distance of 625 miles, they hold out the bait of an offer to indemnify that State against any loss for the first ten years. If it be a proper thing to do, why offer a bait or a bribe to a sister State? In that case, does it not look as though two of the partners were to enter into a compact to fleece the other four? What would be thought if half-a-dozen senators went into a speculation, and I proposed to you, sir, that we two should feather our nests at their expense? I should consider that that was not a very straightforward proposal on my part. If this is a fair and proper thing to do, why offer any inducement to South Australia? Why not offer to pay the whole of the loss for the first ten years to Victoria, Tasmania, New South Wales, and Queensland as well as South Australia? The next step was to induce the Deakin Government to ask that the Engineer-in-Chief of each State might report. This places no legal obligation on the part of those States to carry out the work, but to some extent it did commit the States, in my opinion, when they allowed their Engineers-in-Chief to go and report on this proposal. The third step towards the construction of this railway is the introduction of this Bill. I am not blaming this Government in particular, Every preceding Government would have done just the same, I suppose, if it had been in office long enough. This Government is not solely to blame. I blame any Government for undertaking this work, but the present Government are no worse than others in this connexion. You, sir, are aware that Western Australia has already passed an Enabling Bill, not for this survey but for the construction of a railway. When my attention was first drawn to the measure by an honorable senator the preamble read to me like an extract from *Punch* more than anything else. I do not know that any one ever saw the preamble of an Act of Parliament drawn after this fashion—

The people of the Commonwealth being desirous to enjoy the advantages of postal and commercial intercourse, and freedom of trade by land and by sea, which are enjoyed by the members of the Commonwealth elsewhere.

Surely the people of Western Australia have as much freedom by land and sea as have the people of Northern Queensland or Tasmania? They enjoy the best position, because Fremantle is the first, as well as the last, port of call for all the big vessels which trade between Europe and Australia. Let me show Western Australia's idea of freedom of trade by land and by sea, and the reason I take this course is that she is appealing to the sympathy of the other States. If that sort of language had not been inserted in the preamble of an Act of Parliament, I do not know that I could have said anything. She thought so much about the Federation, in the first place, that she refused to join the other States unless they allowed her to collect import duties on Inter-State goods for a period of five years. In spite of the spirit, if not the letter of the Constitution, Western Australia has managed to get special consideration for herself in a Navigation Bill, if I recollect rightly. That is freedom of trade by sea, so far as she is concerned. What is freedom of trade by land as viewed through the spectacles of free-trade Western Australia? Not only does she impose an import duty on the goods coming from other States, but she imposes a prohibitive Tariff on her railways as against those goods. Senator Pearce quite expected that this matter would be introduced.

Senator Sir JOSIAH SYMON.—It has not much bearing on the question.

Senator STYLES.—It has, because Western Australia is appealing to our sympathy. She wishes us to build the railway, and she says that she is going to work it and control it, and perhaps carry goods from other States at the same rates as local goods. Was not the honorable and learned senator very pathetic and almost eloquent just now on the constitutional question? He desired to see this closer intercourse between the States. I propose to show how Western Australia regards this closer intercourse by quoting the railway freights on Inter-State goods from Fremantle to Kalgoorlie. Hop beer, made in the State is charged £5 0s. 10d., while hop beer from other States is charged £6 12s. 6d., or an increase of 30 per cent. Local coal is carried for 17s. 2d. per ton, but Newcastle is charged £1 14s. 3d., or 100 per cent. more. Local butter is charged £2 10s. 2d., but imported butter is charged £5 10s. 11d., or an increase of

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121 per cent. It is said that the railway is required in order that they may be able to send food more cheaply to the poor people on the gold-fields. The best way to reduce the cost of food is to charge the imported article the same rate as the local article. As regards fruit and vegetables, dried and preserved in tins, the local article is charged £2 5s. 7d., while the imported article is charged £5 0s. 11d., or an increase of 121 per cent. On imported dripping, vinegar, lard, and cheese, the freight is 121 per cent. more, while on jam it is 190 per cent. more than on the local product. Imported dairy produce, not otherwise specified, is charged 121 per cent. more than the local article. Imported marmalade and tomato sauce are charged 190 per cent. more than the local articles. Imported wine is charged 226 per cent. more than the local wine. No less than 279 per cent. more is charged for the carriage of imported hardwood—blue gum from Tasmania and ironbark from New South Wales—than is charged for the carriage of the local products. I thought it would be well to mention these facts in order to show Western Australia's idea of freedom of trade by land.

Senator Pearce.—Who manufactured the figures?

Senator STYLES.—I got them out of a book.

Senator Pearce.—What book?

Senator STYLES.—If the honorable senator will pull out the drawer under my seat he will find the book.

Senator Pearce.—But I do not know the book.

Senator STYLES.—The honorable senator cannot miss the book, because it is printed in large type that it comes from Western Australia. There is no one who could manufacture these figures, if they were manufactured, except myself. When I used the word job just now, with no intention of being offensive, the honorable senator rose in a white heat, and I thought, sir, that I should have to claim your protection, less there might be a case of assault and battery, but he now refuses to pull out the drawer and get the book containing the schedule of freights on the railways of his State.

Senator Pearce.—I am not the honorable senator's bottle-holder.

Senator STYLES.—I am happy to think that the honorable senator is not; I should be certain to lose if he were. I want to remind the Senate that every item I have mentioned is an Australian product. There is another aspect of the novel Western Australian Act to which I have referred. An appeal is made in its preamble to the sympathies of the other States. The Attorney-General fought shy of this aspect of the matter. The Western Australians would lead us to believe that they have been very badly treated. In fact, in their own Act of Parliament they practically say that a promise was made to induce them to join the Federation. The Act says—

> On the faith of the early construction of the railway to connect the western and eastern parts of the Commonwealth, the people of Western Australia did agree to the said constitution.

What interpretation could be put upon that statement, except that the other States agreed to the construction of the railway at the expense of the Commonwealth, as an inducement to Western Australia to join the Federation? Premier James puts the matter still more emphatically, when he says—

> It was an implied condition of Western Australia becoming a member of the Union that an Inter-State railway should be constructed, and on the strength of the promise then made to her, Western Australia joined the combination.

That is straight enough.

Senator Pearce.—It is perfectly correct, too.

Senator STYLES.—I am delighted to hear the honorable senator's statement that it is correct. The impression conveyed both by the preamble of the Western Australian Act, and also by Mr. James' statement, is that a promise was made, not by one State, but by the whole of the States. But in his pamphlet, published last July, the then Premier of Western Australia said—

> The history of the negotiations in connexion with the proposed union railway, is marked throughout its later stages by an extraordinary reluctance on the part of South Australia to redeem the promise given by the heads of previous Governments of that State.

There the promise is reduced to one State. Jammed into a corner, Premier James does not say that the other States promised, but that one State did. I am going to show that South Australia did not promise anything of the kind. Mr. (now Sir Frederick) Holder was then Premier of South Australia. He did promise to introduce an Enabling Bill when Federation took place, and that letter was written on the 1st January, 1900, to Sir John Forrest. But Mr. Holder did not bind his State.

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He merely promised to introduce a Bill if he was in power. Indeed, he could not bind his State. Nothing short of an Act of Parliament would be considered binding on a State. It seems to me that if there had been any condition whatever of the kind implied, when the Premiers met first in Conference in Hobart, in 1895, or when the Convention met in 1897, or when the Premiers met again in 1899, some stipulation of the kind ought to have been distinctly made.

Senator DOBSON.—The railway was never mentioned at those Conferences from first to last, nor was it mentioned at the Federal Convention.

Senator STYLES.—I have read the deliberations of those three Conferences, and so far as I can see, the subject was never mentioned.

Senator DE LARGIE.—We will show the honorable senator something a little later on.

Senator STYLES.—Western Australia pledged herself to join the Federation, and the one condition that was laid down, so far as her public men could pledge her, was that New South Wales should become a member of the Union. Nothing about the railway was said. It is rather curious that Western Australia now turns round, and absolutely accuses South Australia of having broken a promise. I intend to show that South Australia did nothing of the kind, and that if there was a compact between the Premiers of the two States it is Western Australia herself that has broken it, and that South Australia has never departed from it from that day to this. Mr. James says in his pamphlet—

> South Australia had stipulated, as a new condition, that the line should be constructed on the 3ft. 6in. gauge.

That statement is made in his pamphlet, published only last July. But that was not a new condition. The condition was understood at the time these negotiations were carried on between Mr. Holder and Sir John Forrest, that the gauge should be 3ft. 6in. That did not satisfy Mr. James, however, for the reason that in the early part of 1901 his own engineer, Mr. O'Connor, recommended that there should be a 4ft. 8½in. gauge. Mr. James writes—

> Seeing that the adoption of the 4ft. 8½in. gauge as the standard for all Australia is, in all likelihood inevitable, the State will before long find it necessary to convert its trunk lines to that width.

That refers to the line from Kalgoorlie to Perth. Before proceeding further, I think I may fairly call attention to the small attendance. [*Quorum formed.*] On the 18th May last Premier James telegraphed to Mr. Watson, then Prime Minister of the Commonwealth, as follows:—

> On condition that the Commonwealth is allowed a free hand as to route and gauge of line this State will be prepared, for ten years after line is constructed, to bear a share of any loss in excess of our contribution on a population basis.

That shows that what Mr. James wanted was to substitute a 4ft. 8½in. gauge for a 3ft. 6in. gauge. The gauge was never mentioned during the negotiations between Mr. Holder and Sir John Forrest. Mr. Holder was quite warranted in believing that the gauge would be 3ft. 6in. for this reason: The Western Australian gauge was 3ft. 6in. The gauge of the railway from Fremantle to Kalgoorlie, 387 miles, was 3ft. 6in. The gauge of the railway from Port Augusta to Terowie, 119 miles, was 3ft. 6in. The gauge of the Petersburg to Cockburn railway, 145 miles, was 3ft. 6in. The gauge of the railway from Quorn to Oodnadatta, 454 miles, was 3ft. 6in. Altogether, including the transcontinental line, when that is completed, right through from Port Darwin, as far south as Terowie, South Australia would have connected with Port Augusta, a little over 2,000 miles of railway with a 3ft. 6in. gauge, which was also the gauge of the Western Australian railway, 387 miles, at the end of what will eventually be—though not in my day—a railway between South Australia and Western Australia. Another fact which has to be borne in mind is that at the time of the negotiations between Mr. Holder and Sir John Forrest, the estimate was that the railway would cost £2,500,000. That is now raised to £5,000,000. Therefore South Australia has not broken any arrangement made. If any compact at all was made Western Australia has broken it.

Senator Sir JOSIAH SYMON.—There never was a compact.

Senator STYLES.—When South Australia has her railway complete across the continent, there will be over 2,000 miles of 3ft. 6in. gauge connected with Port Augusta. There was not a word said about a gauge of 4ft. 8½in. when these arrangements were being made between the South Australian and Western Australian Premiers. My contention is, therefore—and I think I have shown reasons for it—

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that it was understood that the gauge would be 3ft. 6in., and that South Australia would have the right to determine the route of the line through her own territory. I think that was only a reasonable thing. Without committing it to black and white, Mr. Holder assumed that, as the railways in that part of the world were built on the 3ft. 6in. gauge, this railway would be constructed on the same gauge. Honorable senators will understand why I read out the freight charges of the Western Australian railways, when I read what appears to me to be almost a bribe offered by Western Australia to South Australia. I have here a letter which was written on the 18th February of last year. I do not know whether the Premier of Western Australia ever intended that it should see daylight, but it is addressed by that honorable gentleman to the Premier of South Australia, and contains this passage—

To South Australia we offer an opportunity of controlling with us the only line which leads direct to the richest markets in Australia, our Eastern Gold-fields.

That is to say, these two States are to combine to get possession of this railway. I think that is pretty cool. In effect " We offer this to South Australia as a bribe to join us." I recollect that this Senate strongly objected to the States having anything to do with the construction of our public works. That was the reason we originated a Commonwealth Public Works Department. It was alleged that Commonwealth public works carried out by States officials cost a great deal more than they ought. I am not going into that question, but Western Australia proposes to work this railway, as I understand it, and to work the taxpayers of the Commonwealth at the same time. Can honorable senators imagine the taxpayers of the Commonwealth giving this railway into the hands of Western Australia and South Australia, when between them they will pay 15 per cent. of the deficit, while the other 85 per cent. will have to be paid by people who would have no control of the line if this suggestion were carried out. Would not this be a beautiful haven of refuge for all the incompetent hangers-on of the public men of Western Australia and South Australia, if we were to permit this sort of thing to take place. If we do not intend to allow these two States, or either of them, to work this railway after it is constructed, we must organize a Railway Department of our own. We must create a seventh Railway Department to work 1,100 miles of railway, upon which there will not be a single dwelling from one end to the other. This is a practical question, which was not touched upon by the leader of the Government in the Senate. It should not require the possession of much practical knowledge to enable any one to understand that to work a railway of that kind must involve an enormous cost, comparatively. The reason why the railways of Queensland are the worst paying railways in the Commonwealth is because they form a number of little disconnected railway systems.

Senator Sir JOSIAH SYMON.—These are very important considerations.

Senator STANIFORTH SMITH.—On a high plane.

Senator STYLES.—The criticism may not be on a very high plane. The Senate is composed of all sorts and conditions of men. We shall, no doubt, have the theory and sentiment from Senator Smith by-and-by, whilst I am putting before honorable senators the facts which, after all, give a better indication of what we shall have to pay in the long run. In the circumstances I have indicated, for the management of this 1,100 miles of railway we should have to establish special workshops, as it is proposed that this shall be a 4ft. 8½in. line. We must have a special traffic manager, special engineers, and machinery provided in the workshops, which would be sufficient to meet the requirements of 11,000 miles of railway. It is clear that this line could not be worked at any reasonable rate. Four years ago Sir John Forrest, when Premier of Western Australia, introduced a Bill for the construction of a line from Coolgardie down to Norseman, half-way to Esperance Bay. Some honorable members of the State Parliament of Western Australia desired that the railway should start from Esperance Bay, and work inland 120 miles to Norseman, and Sir John Forrest's main objection to that railway was that it would be isolated from the rest of the Western Australian system, and would, therefore, be most costly to work. Yet here we are asked by the right honorable gentleman to construct a railway 1,100 miles in length, which some one must work. We must either hand it over to Western Australia and South Australia, or create a seventh Railway Department in Australia to work 1,100 miles of railway, and run about a train a day—three trains each way every week—and the chances are that the traffic would not be anything like so great. Of course,

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this is a very fine thing for Western Australia. Some millions of other people's money would be spent within her territory, and the line would act as a feeder to the State railways. We can very well understand that Western Australia would like to have this railway built, seeing that she would have to pay only 5⅗ per cent. of the cost, whilst that would also represent her share on a population basis of the annual loss which must inevitably follow. The question was raised whilst the Attorney-General was speaking as to whether the proposed survey may be considered as part of the railway. According to my view, as a railway man, such a survey as that which has been described by Senator Symon—a complete and accurate survey with plans and specifications—is as much a part of the railway as is the permanent way. If we once commence this survey, according to my view, we shall be committed to the construction of the railway.

Senator GRAY.—All railways for which surveys have been made are not built.

Senator STYLES.—That is so, and, unfortunately, a great deal too much money has been wasted in that way in the Commonwealth. Victoria has wasted £250,000 in that way. The expenditure on this survey will probably be another waste of money if it ever takes place. If this proposal is such a good thing as we are told it is, why does not Western Australia pay for this survey herself, if it is only a matter of £20,000?

Senator GRAY.—She could not do so without South Australia's consent.

Senator STYLES.—How can we do it without South Australia's consent?

Senator Sir JOSIAH SYMON.—We have the consent of South Australia.

Senator STYLES.—There is a consent of a kind. I point out that Mr. Jenkins, the Premier of South Australia has already been accused by Mr. James, the Premier of Western Australia, of having broken his word. He says, "You have broken your word with us," and he has pointed out that it is probable that Mr. Jenkins will do the same thing again. I find that in his pamphlet, published in July of this year, Mr. James has this to say about Mr. Jenkins—

> Mr. Jenkins' estimate of the value of the pledges given by his predecessors and himself to co-operate with Western Australia may be gauged from the statement that he made during a discussion in the South Australian Parliament, arising out of Mr. Deakin's communication that "no promise could be considered binding unless it were incorporated in a Bill or resolution."

We have neither a Bill nor a resolution from the South Australian Parliament. We have simply Mr. Jenkins' word, which Mr. James tells us is not to be taken. Yet we are asked to blunder along in the dark, spending £50,000 on the survey of this railway, when Mr. Jenkins may turn round and say, "It does not go in the direction I desire," or some one else may say, "It is not of the gauge we desire, we shall not agree to it."

Senator PULSFORD.—Why does the honorable senator say the survey will cost £50,000?

Senator STYLES.—Because £20,000 will not look at it.

Senator GRAY.—Why not say £100,000?

Senator STYLES.—I have heard that sum mentioned by a man who is a better judge of the subject than I am.

Senator MULCAHY.—We spent £7,000 on the survey of a railway in Tasmania only 100 miles long.

Senator STYLES.—I have not permission to mention the name of the gentleman to whom I refer, but he is a very high authority on the subject, and he informed me that £100,000 would not be too much for the survey of this line, if it was to be such a survey as I could tender on as a contractor. I asked him whether I would be safe in saying that it would cost £50,000, and he said that £50,000 would not represent more than half the cost. Premier James, speaking in Parliament of Premier Jenkins, said—

> He announced that he had just received a letter from the latter, dated 29th September, in which it was stated that there was "no likelihood whatever" of South Australia "at any time" passing a Bill for the construction of the Union Railway, except upon strict conditions as to both route and gauge.

The conditions of South Australia are that the railway through her territory shall be along a route which she approves, and of the 3ft. 6in. gauge.

Senator Lt.-Col. NEILD.—That is a preposterous gauge for such a length of line.

Senator MULCAHY.—The line will be of no use unless it is an express line.

Senator STYLES.—I quite agree to that, and I should agree to a wider gauge than that which has been suggested; but I am pointing out the light in which South Australia regards the proposal. With respect to the breaking of promises, I say

that if a promise has been broken, it has not been by South Australia, but by Western Australia. Another point which was not referred to by the Attorney-General is that no expert has yet recommended the construction of this line, and those who have been asked to do so would not say whether they would recommend it or not. Even Mr. O'Connor, the very able Engineer-in-Chief of the Western Australian railways, declined to offer any such advice.

Senator MULCAHY.—I think he did recommend it; he wrote a very foolish report.

Senator STYLES.—I do not believe the honorable senator can show me a single recommendation of this line by Mr. O'Connor.

Senator MULCAHY.—Yes, I can.

Senator STYLES.—I think not. Then the five engineers-in-chief who were referred to by the Attorney-General, and who were asked to report as to the advisability of constructing the proposed railway, in paragraph 11 of their final report, dated 29th July last year, say—

> To question No. 8, we find it very difficult to give an answer in view of the fact that the monetary loss will, for the first few years, be considerable. The revenue may prove to be higher than we have estimated, and the deficiency may tend to diminish from year to year more rapidly than has been assumed. It will be for the Commonwealth Government to decide whether the immediate pecuniary loss is so serious as to outweigh the beneficial effects pointed out in answer No. 7.

That is the report of the Board of expert engineers from the other States, who pointedly refused, although asked by the Commonwealth Government if they could do so, to recommend the railway, It must be remembered that at that time, a great deal of trouble had been taken, and witnesses had been examined, and the Board had a knowledge of what Mr. O'Connor and others had reported. My point is that no expert has supported the construction of this line.

Senator DE LARGIE.—Mr. O'Connor has.

Senator STYLES.—It cannot be found that Mr. O'Connor ever recommended the line. There have been six estimates of the cost of constructing the line, ranging from £2,500,000 to £5,090,000. I should now like to show what the different States will have to contribute if this line were constructed. The figures are as follows:—South Australia, which in the years 1901-2-3 had a deficit of £103,000, would have to contribute £468,000; Tasmania, which for two years ending 31st December, 1902, had a deficit of £297,000, would have to contribute £226,500; New South Wales, which had a deficit for three years ending 30th June, 1903, of £347,000, would have to contribute £1,815,000; Victoria, which had a deficit of £648,000, would have to contribute £1,548,500; Queensland, which had a deficit of £1,496,000, would have to contribute £657,500. Now we come to Western Australia, which in the three years I have mentioned, had a surplus of £108,000; and for the year ending June last has a surplus of £112,000, and the contribution of which would be £284,500. This wealthy State with a surplus, asks Queensland, with her huge deficit, to assist in building an Inter-State railway. If this railway is to be built with Commonwealth money, why should not the two States treat the Commonwealth in the same way as they would treat a syndicate? Western Australia will derive the principal benefit from this line, and it would be perfectly reasonable to ask that State to hand over to the Commonwealth fifty miles of land on each side of the whole 475 miles of railway. If that were done, I should be prepared to vote for the line. A betterment of only 1s. an acre on this land would represent £1,500,000, and the people who find the money ought to have the benefit of the betterment, considering that the whole of Western Australia's contribution to the construction of the railway is less than £300,000. There is another alternative. If Western Australia had come forward and said that she could not build a railway because it was too costly; but that she was willing to pay her proportion, on a population basis, of the cost of the Inter-State railways from Brisbane to Port Augusta, it would have been only a reasonable offer. I now want to speak of the railway as a "going concern." The estimates of the cost, as I say, of construction, range from £2,500,000 up to £5,090,000. Sir John Forrest's original estimate was £2,500,000, and his second was £3,000,000; and when speaking at the Adelaide Town Hall thirteen months ago, he jumped to £4,000,000, on the ground, no doubt, that the gauge had been increased. The first estimate of the Board of engineers was £5,090,000, and their second £4,559,000, and finally we have the estimate of Mr. O'Connor of nearly £5,000,000.

Senator Lt.-Col. NEILD.—Does that include the alteration of the existing lines at each end?

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Senator STYLES.—No; that will involve additional cost. When the Attorney-General was speaking, Senator Mulcahy interjected that the cost would be about £8,000,000, and I intend to show that that is somewhere about the mark. The cost per mile in the estimates I have already quoted, range from £2,275 up to £4,627, and it is interesting to compare those figures with the actual cost of a 3ft. 6in. line such as that from Palmerston to Pine Creek, which cost £7,402 per mile. The 1,100 miles of line from Port Augusta to Kalgoorlie would, at this rate of £7,402 per mile, on a 3ft. 6in. gauge, cost £8,142,200, and, with the standard gauge, the cost would be considerably more. The line from Hergott to Ooonadatta, which is on a 3ft. 6in. gauge, cost £4,752 per mile, and the Kalgoorlie to Port Augusta line, if constructed at the same rate, would cost £5,227,200; and it must be remembered that those lines to which I am now referring are in the centre of civilization, compared with the route of the proposed line. I was the first to mention a probable cost of £5,000,000 three or four years ago, at a time when we were told the line would cost £3,000,000. So far as the passenger traffic is concerned, I am ready to admit that a person travelling to Kalgoorlie from Adelaide, or to Adelaide from Kalgoorlie, could travel almost as cheaply as he does now by way of Fremantle. I do not for one moment contend that there would be a great saving by a sea route; but there would no doubt be a slight one. As to the comparison of the cost between Fremantle and Adelaide, it will be fair to take as a base the railway line between Sydney and Adelaide, which is about the cheapest long ride in Australia.

Senator FRASER.—There will be no goods traffic on this line.

Senator STYLES.—That is so; but a good deal is made of the expected passenger traffic. My opinion is that people will not travel by this Inter-State line, when they can go so much more cheaply by boat. No one who travelled between Adelaide and Fremantle, would do so a second time, especially in the summer; no one would make such a journey except in case of great emergency.

Senator PEARCE.—I believe there are a few people who travel across the continent of America.

Senator STYLES. — But there is no steam-ship competition there, while on our coast between Adelaide and Fremantle, there are steamers of some of the best lines in the world; and it must not be forgotten that the distance between Adelaide and Fremantle is about 200 miles shorter by sea than by land. Taking as a basis the present fares on the Sydney to Adelaide line, a person travelling first class by sea from Adelaide to Fremantle would save £3 14s. 8d., in comparison with the cost of a first-class fare on the overland journey, while, on a second-class fare, there would be a saving of £2 5s. 1d. But the Orient Steam Navigation Company carry steerage passengers between the two ports for £4, and as a second-class passenger could not be carried overland between Adelaide and Fremantle for less than £8 6s., we see here a saving of £4 6s.

Senator MCGREGOR. — The honorable senator ought to make his calculation on the journey from Adelaide to Kalgoorlie, and not to Fremantle.

Senator STYLES.—I am not saying that a good deal of the Kalgoorlie passenger traffic would not go to Adelaide by rail. And in making my calculations, I have had regard to a fact, which nobody else seems to have taken notice of. A man on the overland journey would have to pay for two sleeping berths, and about eight meals, which would mean say 36s. in addition to the fare. A fact that we ought to remember is that passengers may travel from Sydney, Melbourne, Hobart, or Adelaide to London, or *vice versa*, on the mail steamers, just as cheaply as from or to Fremantle, and that if a passenger from London lands at Fremantle he pays the same fare as the passengers who travel to Sydney. It is said that a man would leave the steamer and go overland by rail. In my opinion no second class passenger would ever go by rail except in an emergency, because he would save three or four pounds by travelling by boat. It is the second class, and not the first class passengers who make a railway pay. Second class passengers. I contend, would not have the money to enable them to travel overland by rail. They would not travel by railway when they could travel by boat for three or four pounds less, and lose only a day and a half, or, if you like, two days. In the United Kingdom, 77 per cent. of the money paid in passenger fares is paid by third class passengers, while the other two classes pay only 23 per cent. between them. I ask honorable senators to

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look at the map upon the table for a moment. A great point sought to be made by those who favor this railway is that it would facilitate the carriage of the mails. It is alleged that two days would be saved in the journey. Mr. O'Connor said that it would take sixty-one hours to run overland, and that the contract time with the big boats is ninety-six hours, that is, a difference of a day and a half. The period of ninety-six hours was fixed many years ago, before the days of turbine steamers, which steam at the rate of twenty miles an hour. The day is not far distant when steamers will make the journey in very nearly the same time as a train. For the sake of argument I shall allow that if the mails were brought by the dotted line in the map to Western Australia, two days would be saved. The contract time from Adelaide to London is thirty-one days. But if the 1,140 miles to complete the real Transcontinental Railway from Oodnadatta to Fine Creek were built—and it is only forty miles longer than the other—then the mails could be delivered in London *viâ* Port Darwin, Port Arthur, and the trans-Siberian railway in twenty-three days, or in eight days less than the present contract time, while the Western Australian railway, at the very best, could make no more than two days' difference—in my opinion, not one day. As a matter of fact, the quickest journey by steamer has been seventy-six hours, as against Mr. O'Connor's estimate of sixty-one hours by rail. I have allowed that, on the Siberian railway, with a gauge of 5 feet, a train can be run at the rate of thirty miles an hour; it is too little. There would be two days more saved. If the Western Australian railway were constructed, the mails could never gain more than two days, and then the trains would have to travel thirty-eight or forty miles an hour, which could not be done. I desire to say a few words now about the carriage of food-stuffs. We were told that this railway would be very useful for the conveyance of passengers, mails, and food-stuffs to the markets of the eastern gold-fields, described by Mr. James as one of the best markets in the world. He offers to South Australia another little bribe in a letter which he wrote in February last year. He says—

> It is to be borne in mind that the greatest markets of this State are on its gold-fields; that these markets can never be supplied by produce grown on the spot, but must depend on goods brought long distances over railways. . . . .

That at first sight looks very attractive to a man who is a producer in South Australia. Mr. James says in his pamphlet—

> The gold-fields generally will derive an immense advantage from an improved supply of food and general goods from South Australia.

Another little sop to South Australia. Then he asks—

> Whether South Australia is prepared to make a vigorous effort to secure for itself the best and quickest means of placing its products upon the Western Australian markets.

All this is very tempting to South Australia. But I am afraid that Mr. James unwittingly knocks the bottom completely out of this temptation to South Australia to help to build this railway by saying that all the food-stuffs could be produced within their own boundaries, and not very far from the gold-fields, and therefore South Australia could not hope to compete with Western Australia in the markets of the eastern gold-fields. I wish to show that the territory of South Australia, for a distance of 364 miles, would not grow anything. In a report, Mr. Moncrief, the Engineer-in-Chief for the State, describes the country between Tarcoola and the border as "inhospitable and arid." Mr. Muir, who has been referred to to-night as a gentleman who reported on this line, was the Chief Inspector of Engineering Surveys in Western Australia. I suppose that Mr. James is directing attention to these facts in order to show that there is not the slightest foundation for his statement that South Australia will have a splendid opportunity of supplying the markets of the eastern gold-fields. He wishes to make it perfectly clear that the bait he has been holding out to South Australia is nothing but a downright sham. He says—

> Mr. Muir, Inspector of Engineering Surveys, who examined the Western Australian country from border to Kalgoorlie, 475 miles, speaks of it "as well grassed," and states that, taken as a whole, the stretch of country is one of the finest he has seen in Australasia, and would, without doubt, be taken up one day from end to end.

Although this is Mr. Muir's description of the territory from the border of South Australia to the eastern gold-fields, yet in the face of that statement, Mr. James asks us to believe that they would bring meat from South Australia and other States by rail. In another place he says—

> Cattle are produced in Western Australia in its far distant Kimberley districts, and there appears no probability of the central portions of the State producing sufficient cattle for local consumption for many years to come.

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But he does not deny that cattle will be produced there. That is an extraordinary way to convince South Australia that she is going to supply the meat-market on the eastern gold-fields, more especially when 4,000,000 acres of grazing land have been applied for as close as possible to the gold-fields. I propose now to touch on the butter, grain, and other produce, and then to leave that aspect of the question. Mr. James says—

> There are 2,000,000 acres under cultivation, and the wheat yield for 1903 amounted to nearly 2,000,000 bushels, giving a return of about 13½ bushels to the acre cropped.

In other words, Western Australia, which, we are told, cannot grow wheat, grows nearly double the average yield for all Australia, and that is the country which we are told will have to be supplied with grain by rail from South Australia. Mr. James goes on to say—

> The present rapid progress of agricultural settlement in the State, which will soon approach, if not outrival the magnificent mineral development, may be judged from the fact that whereas 342,469 acres of farm lands were taken up in 1901, and 541,576 acres in 1902, the selection during 1903 sprang up to the huge figure of 1,155,517 acres.

This is the country which we are told cannot produce foodstuffs for the eastern gold-fields. It is about the greatest sham I ever heard of. I have only one extract more to read, and that is from an interview which a South Australian newspaper had in June last with Mr. Commissioner George, of Western Australia—

> I gathered a few weeks ago that we should have exported some grain this year, and next year we must. . . . Some years ago we used to import thousands of tons of chaff. The trade was overtaken by the local supply three or four years ago. Our wheat fields, which were supposed to be bounded by Northam, are stretching eastwards towards Southern Cross, and the railways are carrying grain from places along the gold-fields line, where a comparatively short while ago people would have scorned the suggestion that anything would grow. The same class of country, with occasional breaks, continues right through to Kalgoorlie, and also north and south of the line. . . . I am not posing as a farmer nor as a judge of land, but am influenced by hard facts in connexion with the produce of grain. . . . Fruit is being grown in increasing quantities. We have not reached the export stage, which we eventually expect to attain in regard to the citrus and apples. Grapes and peaches and similar fruits we have had for years.

In the face of those statements, surely the most fatuous could never believe for a moment that South Australia or anv other State would supply meat, grain, fruit, or butter by this railway to Western Australia when constructed, and that could not be in less than five or six years. Grain could be brought from the other States, from New Zealand, or even from the Argentine, to Fremantle, and carried by rail 387 miles to Kalgoorlie more cheaply than it could be carried by rail from Port Augusta to Kalgoorlie. We are also told that it would be a very useful railway to carry manufactures. Does any honorable senator entertain such a stupid idea for a moment? Would it carry manufactures from the wheat-fields round Port Augusta? The manufactures would have to come from Adelaide or Victoria. Who would think of carrying manufactures by railway for a distance of 2,000 miles, when there was a boat which would carry them for a third of the money? Those who oppose this proposal will be stigmatized as being unfederal and unpatriotic, because they object to other people's money being spent in the building of what is purely an Inter-State coastal line. My opinion is that a man is unfederal who would use Commonwealth money to build a railway which would render useless the dock which is being constructed at Port Adelaide at a cost of half a million pounds for the sake of accommodating the big liners. If this railway were built, no liner would ever call near Port Adelaide. They are now threatening to stop calling, because the mail is not given to them. If that line were made, what inducement would there be to call? If the true Transcontinental Railway, whch has cost millions, and which this line will block for a generation, were completed, the railway would run from Port Darwin to Adelaide, and thence round the coast as far as Rockhampton. The true federalist is the man who would take these matters into his consideration, and who would say to Western Australia, "If you and South Australia think proper to hand over to us a strip of country 100 miles wide for the whole length of the railway we shall not mind putting our money into the venture." Who pays the deficit? Generally it is the public servants who are called on in the first instance to do so. I recollect when in Victoria we had a railway deficit of £500,000 amongst a million of people. Queensland has had three deficits of half-a-million amongst 500,000 people—£1 per head per annum for the three years ending

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30th June, 1903. A nice little deficit that is! If we had a similar deficit in Victoria in proportion to population, it would amount to £1,250,000. Yet while the States have these deficits staring them in the face, our friends from Western Australia, who have a big railway surplus every year, ask the people to contribute to a railway which, on the most sanguine estimate, would lead to a deficit of £68,000 per annum, but which, in my opinion, would involve a far greater loss than that. But I am going to show that there is a greater objection to the line than any which I have yet mentioned. If the people of Coolgardie and Kalgoorlie become sufficiently influential, as they will do if the gold-fields increase in value, there will undoubtedly be constructed a line from Coolgardie to the coast at Esperance, a distance of 228 miles.

Senator GRAY.—It is said that it will cost £1,000,000.

Senator STYLES.—At any rate, it is inevitable that this line should be constructed some day. Fremantle is 387 miles from the gold-fields, whereas Esperance, the nearest port, is only 228 miles. The port at Esperance Bay is said to be almost as fine as Port Jackson. The records of Western Australia itself show that the construction of that line is inevitable. I shall quote Sir John Forrest himself. In the first place, Mr. James, in his pamphlet says—

> There is a yet stronger feeling throughout the eastern gold-fields that the union railway should not merely from a local, but also from a national point of view, be first constructed.

Of course it should be first constructed, because it is to be built out of other people's money. Here is another quotation from Mr. James—

> Conclusive proof of the unanimity of the gold-fields opinion in favour of the railway was afforded by the fact that all the members of Parliament for those parts had voted for the Enabling Bill, which, furthermore, had been passed by the legislature without even a suggestion having been uttered that the construction of the Esperance line should be a condition precedent.

Mr. James also said—

> Few people in the Eastern States appreciate the value of this Western market, and the enormous possibilities of trade which the expansion of Inter-State commerce by the proposed railway would open up, and, consequently, the extent to which the Eastern manufacturer and the Eastern producer may hope to benefit.

Those are strong arguments in favour of the construction of the 228 miles of railway from Esperance to the gold-fields. I desire to repeat that when the gold-fields become sufficiently strong, and the people of Western Australia are satisfied that they are going to continue, there is no doubt whatever that that line will be made. Naturally the people of the gold-fields will want to get to the sea by the nearest route. Sir John Forrest, when addressing the people of Adelaide on the 10th November last year, said—

> The proposed railway from Coolgardie to Esperance might be constructed, and he had tried on two occasions unsuccessfully to get it as far as Norseman.

That was objected to because the line did not go right through; but Sir John Forrest did not want it to go right through, because he knew that if the line was constructed, the traffic would go to Esperance instead of to Fremantle. I need not go into details to show that the fares for people on the gold-fields would be very much cheaper by way of Esperance Bay to Adelaide, and from Adelaide to Coolgardie by that route, than by way of the 1,359 miles from Adelaide to Coolgardie by rail. The matter of the construction of the Esperance Bay railway attracted a good deal of attention in South Australia; so much so that the Premier of that State only last January wrote a minute to the Commissioner of Railways, Mr. Pendleton, in which he said that he wanted to know—

> whether or not, in the various reports furnished in relation to the construction of a railway between Western Australia and South Australia, and the estimate given, any consideration was given to the question of the traffic being either diminished or increased in consequence of the probable construction of a line from Esperance Bay to the gold-fields.

The reply of Mr. Pendleton was as follows:—

> In reply to the inquiry of the Chief Secretary, I have to say that in none of the reports or estimates made by me in connexion with the prop sed railway from Port Augusta to Kalgoorlie did I take into consideration the possibility of a line being made from Esperance Bay to Kalgoorlie (or Coolgardie); and although it is difficult to say, with accuracy, what traffic would be drawn from the first railway if the second were made, I am of the opinion that if the Adelaide Steamship Company determined to run quick and commodious steamers between Port Adelaide and Esperance Bay, a distance of about 830 nautical miles, in connexion with a line from that bay to the gold-fields 220 miles, quite 50 per cent. of the estimated traffic for the other line would go through Esperance.

Fifty per cent. less than the estimated traffic revenue; and that means that the estimated deficit on the line, £68,000, would

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be greatly increased—probably by £60,000 or £70,000. I look upon the construction of the line from Coolgardie to the sea-coast at Esperance as inevitable. Indeed, that it will come no one denies. Sir John Forrest, himself, in October, 1900, brought in a Bill for the construction of part of the line as far as Norseman. It was defeated by nineteen votes to fourteen. That line was to go to Norseman, only part of the way. When it was urged that the railway should be carried from Esperance to Norseman only, Sir John Forrest said, as I mentioned a little while ago, that that was objectionable, because it would form an isolated railway, and be costly to work. I have detained the Senate at some length, but I have not exhausted all the material which I had prepared. The matter is undoubtedly a very important one, but at this period of the session I can hardly expect the Senate to listen to me as carefully as I might have expected at an earlier period. I am quite aware that every one has made up his mind. If the Bill had been brought forward earlier, more attention might have been devoted to it. I am strongly of opinion that the railway ought not to be made under any circumstances, and when I think of the projected line from Coolgardie to the coast, it seems to me to be almost a crime to spend money on this Inter-State line. I should be wanting in my duty to those who sent me here if I did not oppose this scheme from every point of view. I have looked into it very carefully, and the more I consider it, the more convinced I am that no one who thoroughly understood what is proposed, and who looked at it with an unbiased eye, could possibly support it for a moment. I can readily understand the statement of the Attorney-General that he is not in favour of the construction of the railway. I can also quite believe that the more he looks into it the less he will be inclined to vote for its construction. But in the meantime I object to spending any Commonwealth money on a survey. I desire to emphasize the fact that we have not even authority from the South Australian Government to go on with the railway, even if the survey showed that it was likely to be a paying concern. It is quite clear to my mind from what the Premier of South Australia has said, that that State will never consent. In fact, it would be the most suicidal thing South Australia could possibly do to consent to have this railway built, even if it did not cost her a shilling, and even if she had not to make good any part of the inevitable annual deficit.

Senator PEARCE (Western Australia) —I approach this subject with a desire to appeal to those honorable senators who, I understand, are prepared to listen to the case that may be made out in favour of this Bill.

Senator KEATING.—I beg to call attention to the state of the House. I think there should be a full attendance when the first Western Australian senator is speaking. [*Quorum formed.*]

Senator PEARCE.—I am aware that the whole question is new, so far as many honorable senators are concerned. But unfortunately it is not a question so far as concerns those organs of public opinion which, to a large extent, form the views of the people in this State. One of the great disadvantages from which this Commonwealth suffers is that public opinion on these questions is formed very largely from prejudice. I am sorry to make the statement but it is a fact that honorable senators are very largely unaware that prejudice is forming even their opinions on many matters. I say that because I know that in regard to this question one side has been put by the press of this State day after day, and that honorable senators have read what has been written continuously during the whole ten months of our sitting here, while there is another side to the question which is never heard in this State, except on such occasions as the present when the matter is mentioned in the Federal Parliament. We are at a great disadvantage in this regard. Honorable senators from other States are cautious not to allow the press of this State to form their opinions for them on a question which affects their own States, but on questions which affect States other than their own they are not so much on their guard against specious arguments, and perhaps unconsciously allow their opinions on those questions to be formed for them by the press of this State.

Senator FRASER.—I formed my opinion on this question before the press formed theirs.

Senator PEARCE.—I am not referring to the honorable senator, but to honorable senators from other States, who are in danger of having their opinions on subjects which do not affect their own States largely formed for them by the press of this State.

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Senator TRENWITH.—Is there not a danger that the representatives of the States specially concerned in this matter may be too much on their guard against the opinions of the press in this State?

Senator PEARCE.—There is that danger, but the representatives of Western Australia have never objected to fair criticism. What they do object to is misrepresentation. They object to men who have never seen the country which this railway will serve, describing that country as a desert.

Senator KEATING.—That is cheap; but that is not what honorable senators are going on.

Senator PEARCE.—There are journals in this State which have a wonderful effect on popular opinion, and which, day after day, put forward the statement that the country this railway is to serve is a desert, and as some honorable senators have said that their minds are open on this question, I welcome the opportunity to put the other side to them. One objection to the proposed survey is that it is a work which the State of Western Australia should undertake. We are told that Western Australia should come to the Federal Parliament and say, "Here are reports as to the cost of this work and the quality of the land; here are all the data required, and we ask you to accept these reports." What would honorable senators who are opposed to the proposal say to that? They would say, "This is an *ex parte* statement prepared by Western Australian engineers and published by the Western Australian Government."

Senator Sir WILLIAM ZEAL.—Suppose Western Australia offered to find the money for a survey, and inquiry by an impartial board of experts, what then?

Senator PEARCE.—In that case we should be told, as Senator Styles told us to-night, that the offer was a bribe. Senator Styles has to-night said that Western Australia offered a bribe to South Australia in this matter. That is the way in which the honorable senator characterized a document circulated by Mr. James.

Senator KEATING.—We do not desire a State investigation for the benefit of the Commonwealth. We say that the State of Western Australia should do its own work.

Senator PEARCE.—It is said that the State of Western Australia should undertake this survey, and the Commonwealth might then consider whether it would take up the work of construction. We are told that the Commonwealth cannot afford to take up this question. That is a pertinent objection to the construction of the railway at the present time. It certainly raises the financial question, but I ask whether members of the Commonwealth Parliament are going to say, "We reject the proposal to make this survey because Australia cannot find £20,000."

Senator DOBSON.—No; because Western Australia should undertake her own work.

Senator PEARCE.—I ask if Senator Dobson is prepared to say that we should reject this Bill because the Commonwealth cannot afford to expend £20,000? If that is the spirit which animates the Federal Parliament in dealing with such a public work as this, and if honorable senators are prepared to contend that the 4,000,000 people comprising the population of the Commonwealth cannot afford to pay £20,000 to secure reliable information on which a decision may be based as to whether the construction of the railway should be carried out, then I can only say that this Parliament is not fit to govern a new country like Australia, which should be governed by men who preach the gospel of hope rather than the gospel of despair, and by men who believe in the development of the interior of this country, which is as yet undeveloped, but which has magnificent possibilities, as Kalgoorlie and Broken Hill testify. We are told that this railway will not pay. That is exactly what the croakers in Western Australia told us when Sir John Forrest proposed his water scheme.

Senator STORY.—They said the same thing about the Broken Hill line.

Senator PEARCE.—The same thing has been said about every large public work in Australia. We must be in a position to make an estimate before we can say whether this railway will pay. This Bill is a first step to enable us to estimate whether it will pay. I can understand the attitude of some honorable senators who represent Tasmania, and who contend that the Commonwealth should not take up this work at all; but there are some honorable senators who say that if it can be shown that this line will pay, the Commonwealth should undertake its construction.

Senator KEATING.—The fact that Western Australia has done nothing towards the construction of the railway so far, is fair evidence that it will not pay.

Senator PEARCE.—Western Australia has done all that she is able to do. I remind Senator Keating that Western

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Australia has no authority and no power to construct a line beyond her own border. I may inform the honorable and learned senator also that Western Australia was willing at one time to meet South Australia in the construction of this railway as a State work. We are told that the steamer service around Australia is sufficient for all purposes. I wonder why the people of Adelaide and Melbourne were not content with their steamer service? I wonder why the people of Melbourne and Sydney were not content with the steamer service connecting those ports? Why did the people of Melbourne and Adelaide ask that the desert between the Murray and the border should be bridged by a railway?

Senator KEATING.—They made the line on their own responsibility, and they did not ask the other Colonies to pay for it.

Senator PEARCE.—There was no Federation at the time.

Senator FRASER.—The country was occupied.

Senator PEARCE. — Senator Fraser must be aware that, with the exception of the corner at Mount Gambier, a good deal of the country between the border and the Murray River is not occupied yet. I should like to ask honorable senators whether the States of South Australia, Victoria, New South Wales, and Queensland have ever regretted that they built the railways connecting their capitals? We know that the wealth and importance of each of the States, and of Australia as a whole, have been increased by the linking together of the States capitals by these railways. We are told again that there is no immediate necessity for the construction of this railway; that there is plenty of time. I point out, first of all, that the survey proposed will take some time. The results of that survey must be allowed to permeate into the minds of the people of Australia. The reports must be circulated and discussed, and it will be some years before Parliament will be ready for action, even if the survey is found to be most favorable to the construction of the line. After Parliament is ready for action it will still be years before the line can be constructed; and, taking a most sanguine view, it cannot be expected that the construction of this railway will be undertaken within the next ten years. The statement has been made that this railway was not held out as an inducement to Western Australia to join the Federation. It is true that there was no such bond entered into with respect to it as we find in the Constitution with respect to the Federal Capital.

Senator KEATING.—Or with respect to the special Tariff of Western Australia.

Senator PEARCE.—That is so; but I shall leave Senator de Largie to read several letters which will show that statements were made by prominent Federalists holding out the inducement to Western Australia that this railway would be one of the consequences that would flow from Federation.

Senator KEATING.—Can the honorable senator mention the names of any responsible persons who held out such an inducement?

Senator PEARCE.—I can mention the name of Mr., now Sir Frederick, Holder, who, as Premier of South Australia, on the 1st February, 1900, wrote to the Premier of Western Australia as follows:—

Chief Secretary's Office,
Adelaide, 1st February, 1900.

Sir,

Following our conversation as to the possible blocking of the construction of a railway line from Kalgoorlie to Port Augusta by the Federal authority, by South Australia refusing consent rendered necessary by section 34 of clause 51 of the Commonwealth Bill, to the construction of the line through her territory, I regard the withholding of consent as a most improbable thing, in fact, quite out of the question.

To assure you of our attitude in the matter, I will undertake, as soon as the Federation is established (West and South Australia both being States of the Commonwealth) to introduce a Bill formally giving assent of this Province to the construction of the line by the Federal authority, and to pass it stage by stage simultaneously with the passage of a similar Bill in your Parliament.

I have the honour to be, Sir,
Your obedient servant,

(Sgd.) F. W. HOLDER.

The Right Honorable Sir John Forrest,
Premier, Western Australia.

The significance of the letter is that at that period the Federal fight was proceeding. As a member of the Federal League, who took part in that fight, I know well what were the grounds of objection raised to Federation in Western Australia.

Senator TRENWITH.—There was not a promise on behalf of the Federation, but a promise made by the Premier of South Australia.

Senator PEARCE.—It was a promise made by a prominent Federalist.

Senator KEATING.—Let South Australia keep faith now.

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Senator PEARCE.—When the Federal Bill discussion was raging, the anti-Billites were asking the people of Western Australia what was the use of entering the Union. They were being told that Western Australia, like New Zealand, was isolated—that each of those Colonies was five days' journey from the eastern seaboard of Australia, and that Western Australia might as well be an island in the ocean as New Zealand is in the Pacific. The reply of the Federalists was that the eastern States of Australia would, as the natural effect of Federation, see the wisdom of linking the east and the west by means of a railway.

Senator BEST.—In time.

Senator PEARCE.—In time, of course. Advocates of Federation were challenged with the fact that there was no indication of any willingness or desire on the part of the people in the eastern States to do any such thing. While the fight was raging, this letter was sent to the people by a prominent Federalist, who was a Premier of a neighbouring State, and that letter, along with others, was used on every platform as an inducement to the people to accept the Bill.

Senator KEATING.—What has that to do with us in Tasmania?

Senator PEARCE.—I do not say that it has anything to do with Tasmania. I am speaking to the Senate, and not to Tasmania.

Senator KEATING.—But the honorable senator is asking the people of Tasmania to contribute as much as will the people of Western Australia to this railway.

Senator PEARCE.—The people of Western Australia regarded the letter as a pledge that their isolation, which was their chief objection to Federation, would be removed.

Senator TURLEY.—That does not bind Queensland.

Senator PEARCE.—I do not say that it does. All I have said is that in this letter prominent Federalists held out to Western Australia the inducement that its chief objection to Federation would be removed. We are now met with the argument that South Australia is to-day unwilling to allow the construction of the railway.

Senator GIVENS.—That has been stated by the most prominent representative of South Australia in the Senate—Senator Symon.

Senator PEARCE.—And I beg to differ from Senator Symon on the point. I had the honour, along with Senator de Largie, Senator McGregor, and others, of visiting many towns in South Australia when we were conducting a campaign in support of the construction of this railway. We had large and enthusiastic meetings everywhere, and carried resolutions urging the State Parliament of South Australia to at once pass enabling legislation. At no place did we meet with a hostile reception, and at no place was there a hostile vote. But I have stronger proof still, to which I ask honorable senators from Queensland to listen. It is recognised that honorable senators from South Australia, who are elected on adult suffrage under a liberal Electoral Act, truly represent the people of that State, and, as a result of the campaign I have mentioned, and in spite of the opposition of the powerful newspapers of Adelaide, every senator returned at the last election was pledged up to the hilt not merely to the survey, but to the construction of this line.

Senator GIVENS.—Was it one of the main questions on which they were elected?

Senator PEARCE.—It was made a main question by the Adelaide newspapers, which fought as vigorously as the Melbourne newspapers do now, against the proposal.

Senator KEATING.—The honorable senator's arguments would be more effective if the successful meetings had been held in States other than South Australia or Western Australia.

Senator PEARCE.—Senator Keating, finding the ground shifting under him, wants me to shift my ground, but I shall not do so until it suits me. I am now dealing with the objection that South Australia is unwilling to sanction this line.

Senator KEATING.—The honorable senator made the statement that South Australia was unwilling.

Senator PEARCE.—On the contrary, I denied the statement to that effect made by the Attorney-General.

Senator KEATING.—A few months ago the honorable senator said that the Western Australian Government was willing to construct the line up to the boundary, and that the reason this was not done was that South Australia was unwilling to follow suit.

Senator PEARCE.—Senator Keating is speaking of events which happened in 1894, whilst I am speaking of the position in 1903.

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Senator KEATING.—If the two States are willing to construct the line, why do they not do so?

The PRESIDENT.—I must ask honorable senators not to interject.

Senator PEARCE.—I do not propose to read the telegrams exchanged by the Prime Minister and the Premier of South Australia, because they have been published in a parliamentary paper. But the Government of South Australia practically said to the Federal Government, "Before we entertain the idea of introducing an Enabling Bill, we want a guarantee that there is some possibility of the railway being built; we want to see the actual data." The Government of South Australia saw the reasonableness of asking for a survey, and they stipulated that before a Bill was introduced into the State Parliament a survey should be made. The whole position of South Australia is indicated by the fact that the people of the State are prepared, through their representatives, to vote for the construction of the railway, while the representatives in the State Parliament lay down the position that before they consent to the construction there must be a survey. So much for the contention that South Australia is opposed to this Transcontinental Railway. I now propose to show that there is a reasonable prospect of the line paying. A number of statements have been made to-night by Senator Styles; but, while I am prepared to listen to that gentleman on the question of Victorian railways, I am afraid that he knows very little of Western Australian railways. It is not fair to base arguments against the proposed transcontinental line on a knowledge of the Victorian conditions only. I can illustrate that contention by pointing to the wide difference between the cost of construction in Western Australia and other States. The chief railway in Western Australia, that from Southern Cross to Kalgoorlie, is, I suppose, a record of cheap construction in Australia. It was built at a cost of under £1,500 per mile, and I doubt whether there is any line in Victoria which can be compared to it from that point of view.

Senator STYLES.—Yes; in Victoria a 5ft. 3in. gauge line has been constructed as cheaply.

Senator PEARCE.—I defy any honorable senator to produce figures to show a more cheaply-constructed railway in Australia.

Senator STYLES.—Yes; there have been cheaper railways constructed in the Mallee.

Senator PEARCE.—I should like the honorable senator to produce the figures. This railway in Western Australia is over 100 miles long, and was completed, as I say, at a total cost of £1,500 per mile. That was, of course, because the country is, so to speak, as level as a billiard table.

Senator Sir WILLIAM ZEAL.—And because there were light metals and a narrow formation.

Senator PEARCE. — The Southern Cross to Kalgoorlie railway will compare favorably with any narrow-gauge railway constructed in Australia.

Senator GIVENS.—But even as a narrow-gauge railway the cost is very reasonable.

Senator PEARCE.—In Western Australia the average cost of the railways per mile is £5,370; in South Australia £7,718, and in Queensland £7,400.

Senator Sir WILLIAM ZEAL.—The honorable senator is making an indictment against himself.

Senator PEARCE.—The figures show that the railways in Western Australia have cost nearly £2,000 less per mile than have the railways in Queensland, comparing narrow gauge with narrow gauge.

Senator TRENWITH.—Is it not a fact that in the case of the Southern Cross to Kalgoorlie line the contractors were able to charge for traffic for a considerable time, and that it was very largely the profits thus made which paid the contractors?

Senator PEARCE.—The conditions were the same on the Broken Hill line in South Australia, and they have arisen in every State of the Commonwealth.

Senator GIVENS.—I do not think they have arisen in Queensland to any extent.

Senator TRENWITH.—They could not arise except where there was successful gold mining going on.

Senator PEARCE.—Western Australia is not the only State which has gold-fields, nor the only State in which this practice has been resorted to. In Victoria the average cost per mile for the railways is £12,110, and in New South Wales £13,272.

Senator Sir WILLIAM ZEAL.—In Victoria there are 200 miles of double line which will compare with any in the world.

Senator PEARCE.—In the gold-fields of Western Australia we cannot get navvies at 6s. a day.

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Senator Sir WILLIAM ZEAL.—The navvies were paid 10s. a day in Victoria.

Senator PEARCE.—At the Waranga Basin the navvies were paid 6s. per day. The New South Wales railways cost £13,272 per mile, while Tasmania's narrow-gauge railway cost £8,302 per mile.

Senator KEATING. — In the most hilly country of all.

Senator PEARCE.—It is because the country to be traversed is not hilly that this railway to Kalgoorlie will cost only a little over £4,000 per mile.

Senator DOBSON.—Does the honorable senator know that there are mountains of sand which would have to be faced with clay?

Senator PEARCE.—No. The honorable and learned senator can read any report he likes, and he will not find any reference to sand along the route.

Senator DOBSON.—I got that information from an engineer who has made a report.

Senator PEARCE.—I should like the honorable and learned senator to quote his authority, because I have not found any reference to sand in any report.

Senator DOBSON.—I went to some of the engineers.

Senator FRASER.—Barrows which would be left at night would be covered with sand in the morning.

Senator PEARCE.—The honorable senator is referring to the country near Port Augusta. Honorable senators are falling into the error of thinking that because they know one part they know the whole of Australia. They are showing prejudice when they allow themselves to judge the route of this line by some portion of Western Australia, or South Australia, which they happen to have seen. Only two weeks ago there was a report from Western Australia of a man with his wife and little children leaving his farm in South Australia and travelling with his flocks and herds right across the continent from Port Augusta to Kalgoorlie, landing them in good condition there. He lost a few horses and cattle in the district immediately surrounding Port Augusta; but after he reached the border he did not lose a solitary head; and his stock fattened as they travelled. He showed his belief in the character of the country by immediately applying for a grazing area of 90,000 acres, seventy miles east of Kalgoorlie, on the route of the proposed railway, and the Government showed their belief in the country by refusing to grant his application, while the construction of the line was pending. Here is a quotation which I have taken from the Melbourne *Age*—

> Mr. Halford, who recently travelled overland from Adelaide with his wife and family and stock, applied for a pastoral lease of 60,000 acres east of Gardunia, but the application was refused because the land came within the reserve for the proposed trans-continental railway. The Minister of Lands now thinks he can suit Mr. Halford by granting him a grazing licence in recognition of his plucky journey.

Senator FRASER.—The man who was employing camels and putting up the telegraph line along the route threw up the job because he could not do it.

Senator PEARCE.—The honorable senator is talking of a telegraph line which follows the sea-coast, whereas I am speaking of a railway line which will never come nearer the coast than fifty miles.

Senator DOBSON.—And the more you go in from the coast, the less water there is.

Senator PEARCE.—The more you go in from the coast the better the character of the land. We have been presented with a number of different estimates of the cost of constructing this railway. We have an estimate by Mr. C. Y. O'Connor, the late Engineer-in-Chief of the Western Australian railways. The success of the gold-fields water scheme, which he planned, ought to induce honorable senators to pay some regard to his estimate that the line would cost £4,400,000, or roughly, £4,000 per mile.

Senator STYLES.—He adds £400,000 on to that sum.

Senator PEARCE.—He adds £200,000 as the cost of raising the loan. The honorable senator attempted to prove that there would be no passenger traffic over the line. I propose to show from Mr. O'Connor's report that there would be some passenger traffic. Excluding the over-sea traffic, over 1,000 persons travel each week between the eastern and western States—that is 500 persons each way. The great majority of these purely Australian passengers go to the gold-fields. The great majority of the people on the gold-fields are Victorians, and strong believers in this railway. They have already to undertake a railway journey of 400 miles to get to the coast where they join the steamer. Is it reasonable to suppose that they would make that journey when they could get into a train at Kalgoorlie, and proceed over-land more cheaply,

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and more quickly, and with less discomfort? Mr. O'Connor says—

On the basis of 1¼d. per mile 1st class, ¾d. per mile 2nd for railway, and ocean liner rates by sea:—

	By overland. £ s. d.	Sea Route. £ s. d.
Kalgoorlie to Adelaide:		
1st class	7 17 9 ...	10 18 0
2nd class	4 15 9 ...	8 0 10
Kalgoorlie to Melbourne:		
1st class	10 7 9 ...	14 4 0
2nd class	6 5 9 ...	9 13 10
Kalgoorlie to Sydney:		
1st class	13 1 9 ...	16 18 0
2nd class	8 6 3 ...	11 17 10
Kalgoorlie to Brisbane:		
1st class	16 17 9 ...	20 5 0
2nd class	10 12 9 ...	14 12 10

By overland route, and sea route by intercolonial steamer—

	By overland. £ s. d.	Sea Route. £ s. d.
Kalgoorlie to Adelaide:		
1st class	7 17 9 ...	7 14 0
2nd class	4 15 9 ...	4 19 10
Kalgoorlie to Melbourne:		
1st class	10 7 9 ...	9 4 0
2nd class	6 5 9 ...	5 19 10
Kalgoorlie to Sydney:		
1st class	13 1 9 ...	11 4 0
2nd class	8 6 3 ...	6 9 10
Kalgoorlie to Brisbane:		
1st class	16 17 9 ...	13 12 0
2nd class	10 12 9 ...	7 9 10

By same comparison at 1d. for 1st class, 6-10d. per mile second—

	Overland. £ s. d.	Coastal steamer. £ s. d.
Kalgoorlie to Adelaide:		
1st class	5 13 3 ...	7 14 0
2nd class	3 8 0 ...	4 19 10
Kalgoorlie to Melbourne:		
1st class	7 13 6 ...	14 4 0
2nd class	4 12 1 ...	9 13 10
Kalgoorlie to Sydney:		
1st class	10 1 6 ...	16 18 0
2nd class	6 0 11 ...	11 17 10
Kalgoorlie to Brisbane:		
1st class	13 1 10 ...	20 5 0
2nd class	7 17 1 ...	14 12 10

Overland on same basis compared to intercolonial steamer—

	Overland. £ s. d.	Steamer. £ s. d.
Kalgoorlie to Adelaide:		
1st class	5 13 3 ...	7 14 0
2nd class	3 8 0 ...	4 19 10
Kalgoorlie to Melbourne:		
1st class	7 13 6 ...	9 4 0
2nd class	4 12 1 ...	5 19 10
Kalgoorlie to Sydney:		
1st class	10 1 6 ...	11 4 0
2nd class	6 0 11 ...	6 9 10
Kalgoorlie to Brisbane:		
1st class	13 1 10 ...	13 12 0
2nd class	7 17 1 ...	7 9 10

These figures show that on the reduced estimate by Mr. O'Connor the journey by railway would be much cheaper than the journey by the cheapest and nastiest route, and that is in the steerage of an Inter-State steamer.

Senator Lt.-Col. NEILD.—But the honorable senator overlooks the cost of sleeping accommodation, and meals, which would come to more than £1 a day.

Senator PEARCE.—I do not overlook that matter. The great bulk of the passengers on the Inter-State railways do not have sleeping accommodation. It is only the favoured few who are able to afford a sleeping berth. On the Melbourne to Adelaide line it will be found that the great majority of the passengers do not travel in the sleeping cars. I have now to deal with the over-sea traffic. I have seen many passengers leave the mail steamers at Adelaide to go overland by train to Melbourne, Sydney, and Brisbane. If this railway were constructed, many passengers by the mail boats would take the train at Fremantle, because we know that many persons, as the result of a long voyage, are glad to go overland from the first port of call.

Senator GIVENS.—That is not our experience in Brisbane.

Senator PEARCE.—I know that many passengers do land and travel overland. As to the stock trade, we have to remember that there is a very large consuming population at Coolgardie, where the people are unable to produce any foodstuff on the spot, owing to climatic conditions. They are living in mineral country, where stock cannot be grown. Our present sources of supply are principally Queensland, North Australia, and South Australia. The present method of supply is this: Cattle are driven down from the borders of Queensland, and from North and South Australia till they strike the railway at Oodnadatta. Then they are shipped in cattle trucks to Port Adelaide; then they are put on board ship, and taken to Fremantle; whence they are trucked again and sent on to the goldfields, where they are slaughtered. In the case of cattle coming from eastern States, they are driven to the nearest port, or, perhaps, trucked down from Gippsland to Melbourne, and thence shipped around to Western Australia.

Senator GIVENS.—Cannot they drove stock in Western Australia?

Senator PEARCE. — Some honorable senators may not be aware of the fact that

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in South Australia there is a railway running to Oodnadatta, and although possibly they could drove the cattle all the way to Adelaide if they wished, they do not do so. They put the cattle on to trucks as soon as they strike the railway line, and send them further south than Port Augusta. Mr. O'Connor, the late Engineer-in-Chief in Western Australia, paid some attention to this question, and pointed out that the stock consumed weekly on the gold-fields was 300 bullocks and 3,000 sheep. All this stock comes from distant States. Moreover all the vegetables, the butter, and other perishable goods come from the eastern States by steamer and railway. Honorable senators know how that kind of produce deteriorates in handling. In paragraph 31, at page 1135 of the *Parliamentary Papers* for 1901-2, Mr. O'Connor says—

> The assumption that there would be a considerable traffic in cattle and sheep on this railway, is based upon the fact that freight by rail for a bullock from Port Augusta to Adelaide (in full truck loads) would be about 16s. 6d., and the sea freight from there to Fremantle, I am informed, about £4, and the railage again from Fremantle to Kalgoorlie £1 3s. 6d., making in all £6, as compared with which the cost per bullock (in full truck loads) at Western Australian railway rates from Port Augusta to Kalgoorlie, would be about £3 4s. 6d., showing a saving of £2 15s. 6d.

Senator Trenwith.—Surely, with the splendid country there is in Western Australia, the gold-fields will not be dependent on Queensland and South Australia for bullocks for more than a few years.

Senator PEARCE.—I am assuming that the supplies come from the same sources as at present. I hope and believe that the country on the route of the proposed railway will be taken up for pastoral purposes. But if honorable senators attempt to destroy my argument by saying that the whole of the country on the route is going to be taken up for stock, they give me a better argument by enabling me to show that the railway will be fed by settlement along the line.

Senator Trenwith.—Surely, the immense area of fruitful country already taken up in Western Australia will be sufficient to feed all the people in that State in the near future.

Senator PEARCE.—Unfortunately, the honorable senator is not aware of the fact that while we have in the south-western part of the State, ample agricultural and horticultural country, we have no pastoral country. We have to go to the north-western portion of the State to find pastoral country, and that is as far from the gold-fields' markets as Port Augusta itself. Cattle could only be brought from those districts by steamer, and then by rail to the gold-fields.

Senator Sir William Zeal.—Is there not dairying country?

Senator PEARCE.—We shall have dairying country in time, but we have not got it yet. Our country is heavily timbered, and, as those honorable senators who know Gippsland are aware, a generation of settlers who break their hearts in clearing the country have to die out before dairying can be started. Now, I want to deal in detail with the reports of the Engineers-in-Chief of New South Wales, Victoria, South Australia, Queensland, and Western Australia.

Senator Sir William Zeal.—They did not know the line; it is all conjecture.

Senator PEARCE. — These engineers have reputations at stake. They are not in the employment of the Western Australian Government. Some of them are in the employment of Governments which are hostile to this railway.

Senator Styles.—They do not recommend the railway.

Senator PEARCE.—They were not asked.

Senator Styles.—I beg pardon, they were asked; it was one of the questions put to them.

Senator PEARCE.—Their estimate of the total cost is £4,559,000. That is the final report shown on page 1269 of the *Parliamentary Papers* for last session. In the first year they estimated a deficiency of £68,168. Within ten years, having in view the same rate of progress as Australia has made within the last ten years, they anticipate an annual profit of £18,219. That is to say, it is anticipated that in the first year the loss to be shared by over 4,000,000 of people would be slightly over £68,000, which will diminish. I also wish to show that these engineers say that there will be a saving of two days in the delivery of the mails between the eastern and the western States. I think that Mr. O'Connor said that two and a half days would be saved.

Senator Styles.—Sixty hours was Mr. O'Connor's estimate.

Senator PEARCE.—The journey from Kalgoorlie to Adelaide now occupies five days. Under this scheme the engineers

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estimate that the journey would last thirty-six hours. Further, the cost of maintenance of the present telegraph lines would be considerably reduced; new tracts of pastoral country would be opened up; and recent discoveries of mineral country lead to the conclusion that there are rich mineral deposits in the proximity of the proposed railway.

Senator STYLES.—What about the gauge?

Senator PEARCE.—The Western Australian Parliament have passed a Bill authorizing the widening of the existing line between Fremantle and Coolgardie to the same width as the transcontinental line, whatever that may be.

Senator STYLES.—Who is going to pay for widening the line between Adelaide and Fort Augusta?

Senator PEARCE.—That is a matter for the South Australian Government. Now I wish to come to the question of the quality of land. I do not intend to take Senator Styles, who has never seen it, as an authority, nor do I recognise the authority of the editor of the Melbourne *Age*, who sits in his chair in his room, and knows nothing about it. I am going to take the word of a man who has been over the route, and who spent some months there. We have a report from Mr. John Muir, Inspector of Engineering Surveys, concerning the proposed railway. The report is dated 31st October, 1901, and is to be found on page 1141 of the *Parliamentary Papers* for 1901-2. Mr. Muir says—

I was led to believe, prior to starting this trip, that the country to be traversed consisted almost entirely of a desert composed of sand hills and spinifex flats. This impression proved, however, to be perfectly erroneous, unless a waterless tract of country, though well grassed and timbered, can be called a desert.

Senator BEST.—Notice the term, "waterless tract of country."

Senator PEARCE.—Does the honorable senator expect that there are dams there?

Senator BEST.—We expect to find water for the purposes of a railway, but Mr. Muir found none.

Senator PEARCE.—

For the first 100 miles from Kalgoorlie we passed through a salmon-gum forest. The timber is good and plentiful, and suitable for mining purposes. It would be impossible for me to approximate the width of this forest, but it certainly cannot be less than fifty miles wide, and for all I know to the contrary it may be considerably more. Interspersed through this forest are numerous flats covered with grass, as well as with salt-bush and other fodder shrubs. The soil is of good quality, and the growth of grass and herbage luxuriant. For the next 100 miles the nature of the country varies somewhat, being composed of alternate belts of native oak, salmon-gum, and gimlet wood. Belts of spinifex and scrub are also crossed. At about 200 miles, rolling downs of limestone formation are met with covered with a luxuriant growth of grass, and occasionally a salt-bush flat. This country is lightly timbered with myaporum, and presents a beautiful park-like appearance. Close to the coast a narrow belt of mallee runs, and further inland small belts of myall and myaporum are met with. This country is also well grassed, and salt-bush and other feed bushes are plentiful. To the north, near the 31st parallel of latitude, the country is more open. In fact, from the South Australian border for 250 miles in a westerly direction, it is one large open plain of limestone formation, fairly well grassed throughout. Taken as a whole, this stretch of country is one of the finest I have seen in Australia.

That is the report of a gentleman who has visited every State in Australia, and knows most of the pastoral districts. He goes on—

With water—which doubtless could be obtained if properly prospected for—it is admirably adapted for grazing purposes, and will, without doubt, be taken up some day from end to end. Game—kangaroos, emus, and turkeys—is fairly plentiful in the vicinity of the rock-holes. . . . At the time of our visit this tract of country must have been at its driest, as the settlers at Eyre and Eucla informed me that it was the worst season they had experienced for the last twenty years. From our observations, it was quite evident that there had been a long dry spell extending over fully twelve months, I should think. Still, the grass is sound and strong, growing for the most part to a height of twelve inches. Judging from the growth of grass and other vegetation on this country, it is very evident that there must be good falls of rain over it and at regular intervals; but the ground is so porous that the rain, as soon as it falls, percolates through the limestone.

As to the geographical formation, Mr. Muir says

The country traversed is, on the whole, flat and uninteresting. There are no hills of any magnitude, no lakes, and very few water-courses. The height of the proposed starting point of the railway (Kalgoorlie) is 1,240 feet above sea level, and from there to Cardinia, some seventy miles, there is a practically gradual rise of 300 feet. This is the highest point attained, and from there onward until the South Australian border is reached, fifty-five miles north of Eucla, there is an almost gradual fall, amounting in the aggregate to some 900 feet. The most irregular formation of the country occurs between the commencing point and the Goddard's Creek, consisting of low diorite and ironstone ridges, with outcrops of granite sandstone, and quartz. This portion of the country is distinctively auriferous, and quartz outcrops show in many places.

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I may mention that the Western Australian Government spent £1,100 on the survey. There is another important aspect of the matter that has not been touched upon by Senator Styles and the Attorney-General. That is the question of defence. I venture to say that this railway, from the point of view of defence alone, is well worthy of the consideration of the Senate. Major-General Bevan Edwards has reported that for the efficiency of the defence of Australia, this railway is absolutely necessary.

Senator STYLES.—What did Major-General Hutton say about it?

Senator PEARCE.—I propose to quote what he said. It has been said that Major-General Hutton has reported against the construction of this line, but as a matter of fact, he has reported in favour of its construction from a defence point of view. But he has in a subsequent report said that the railway is useless if we have not an army to carry over the railway. He has used these arguments to urge the Government to provide equipment for the Defence Force. At page 31 of his second annual report, it will be found that he said—

> The security by land of Australia, as a whole, cannot moreover be considered assured without a complete intercommunication between the States, and especially between those vulnerable points on the long coast line of Australia, for which land defence is provided. It is to be hoped, therefore, that as soon as the complete organization and equipment of the military forces of the Commonwealth are determined upon, the direct communication by railway between Western Australia and the eastern States may be carried into effect.

In that Major-General Hutton has committed himself to the construction of this railway, from a defence point of view.

Senator STYLES.—He flatly contradicted that afterwards.

Senator PEARCE.—He has not contradicted it; what he has done has been to emphasize the necessity for equipping our Army properly. We now have our Army, and we ask that Major-General Hutton's further recommendation shall be carried out, and that is, that in order to make that army effective from a Federal point of view, it is necessary that this railway should be constructed. I desire to draw the attention of honorable senators who have referred to the water difficulty, to the report by Mr. Castilla. The Western Australian Government realizes that the water problem must be solved, and when Mr. Muir returned, it was at once arranged that a boring party should be sent out. The Western Australian Government was not going to put down bores every ten miles along the route of the line, until they knew whether they would ever be required, but what they have done is this: They have proved that in the particular part of the country which Mr. Muir speaks of as waterless, so far as a surplus supply is concerned, there is an underground supply to be obtained. I direct the attention of honorable senators to Mr. Castilla's report, as this gentleman was in charge of the boring party which was sent out by the State Government of Western Australia. I quote from a parliamentary paper, printed and laid on the table of the Senate, on my motion—

> Boring for water at site No. 2, 60 miles from the coast and 30 north of Madura, 7th September, 1902, and water was struck at a depth of 411 feet on 19th September, 1902. The total depth bored being 430 feet. The water here was excellent stock water, and even fit for human consumption.

Senator Sir WILLIAM ZEAL.—Is it suitable for locomotives?

Senator TURLEY.—He does not say that it is suitable.

Senator PEARCE.—I have not finished the quotation. I notice that some of those honorable senators who profess to have open minds on this question, are quick to put a construction upon any argument which is offered before its statement is completed. The report continues—

> This bore has since been equipped with a pump, boiler and engine, and a large Metter's storage tank.

Where are they going to get the water for this boiler?

Senator Sir WILLIAM ZEAL. — That boiler will be worked at a low pressure whilst the locomotive boilers would be worked at the very highest pressure.

Senator PEARCE.—The water for this boiler will be taken from the bore. This bore has proved the existence of water fit for stock, and fit even for human consumption, in country which Mr. Muir has described as waterless. Further on Mr. Castilla reports that at a place forty miles on the coast from Madura—

> Boring operations were commenced January, 1903, and completed in January, 1904. Water suitable for stock being struck at a depth of 2,101 feet, the flow being 70,000 gallons.

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This officer further reports—

A very erroneous impression seems to prevail regarding this country. From conversations I have had with really well informed people, since my return, I gather that it is supposed to be a barren, inhospitable sand waste. Quite the contrary is the case. There is very little sand comparatively. Just along the sea coast at Eyre Patch there is a narrow range of sand hills, about three miles wide on the low land plain, midway between the cliffs and the sea, but it ceases about 60 miles from Eyre Patch.

I fancy the unfavorable impression must have been taken from Eyre's work. He hugged the sea coast the whole way, and saw nothing of the back country, and his most serious disaster, the murder of his mate by natives, occurred at the place since named after him.

. . . .

These plains, upland and lowland, are dotted with blowholes. They are a very peculiar feature, acting as vents and drains. They emit a roaring noise, and blow in or out according to the wind. After heavy rains I have seen considerable streams running into them. This explains why there is, despite of fair rainfalls, little surface water or streams in the country.

I ask honorable senators to weigh these facts. They are not theories. They are not the statements of newspaper editors, who have "imagined vain things" for political purposes. They are facts, compiled by men who have been over this country, whose life's occupation it has been to construct railways, and prepare plans and estimates for the guidance of Government and Parliament. Many of these men have had a life-long experience of Australian conditions, and of the construction of railways in all the States. They have come together, and have given valuable information and estimates as to the cost of the construction of this line. I have submitted facts also from men who have a knowledge of survey work under Australian conditions. They know the nature of this country, and they stake their reputation on the opinion they give as to the quality of the land which this railway will serve. I have submitted facts from the reports of boring parties who have struck good sound water in what has been described as a waterless country, on the route of this railway, and at one place water suitable for human consumption. They have proved that this country can be used for pastoral purposes. I ask whether, in view of these facts, honorable senators are prepared to remove the isolation from which Western Australia suffers. Is the Senate prepared to make Federation a real thing for Western Australia? Without this railway, Federation is a delusion and a sham for that State. It means nothing to Western Australia without this railway. Victoria has reaped a golden harvest from Federation. In three years, as the result of Inter-State free-trade, brought about by Federation, the value of the exports of this State to other States of the Commonwealth has increased by £2,000,000 sterling. The State of Tasmania, when the fiscal barriers were thrown down, and owing to the existence of a drought in all the other States, with the exception of Victoria, also reaped a golden harvest as the result of Federation.

Senator MULCAHY.—For one year.

Senator PEARCE.—Tasmania is still reaping a golden harvest from the butter which she sends into Western Australia, and which from this year henceforth she will be able to send into that State without any barrier.

Senator DOBSON.—It has to pay higher rates on Western Australian railways.

Senator PEARCE.—If it had not been that Senator Dobson, and those who think with him, raised the miserable Kyabram cry of economy, we should now have had an Inter-State Commission, which would have prevented differential rates not merely in Western Australia, but in every State of the Commonwealth. When Senator Dobson quotes the differential rates charged in Western Australia, can I not claim that the same miserable, pettifogging policy has always animated the railway management of every State in Australia? Have we not witnessed Victoria, by her railway rates, endeavouring to rob South Australian railways of the traffic which rightly belonged to them? Have we not witnessed New South Wales endeavouring to rob Victoria of the traffic rightly belonging to that State? Western Australia has only followed the silly, suicidal example of the other States of the Commonwealth in this regard. I repeat that if it had not been that Senator Dobson, and those who think with him, raised the Kyabram cry of economy, and prevented the establishment of the Inter-State Commission, differential rates would exist no longer. It is my desire to destroy provincialism, whether it exists in connexion with railway management or in the minds of honorable senators, who say that because this railway will not benefit their particular corner of Australia they will have none of it. They say, "Because our State will reap no direct benefit from this undertaking we shall have none of it." Is that going to be the test on public questions

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in this national Parliament? Are we to deal with questions in this national Parliament from the point of view of the benefit which will be derived by the particular States which we represent? I warn honorable senators that if this is the spirit in which they propose to deal with this proposal it will only bring about reprisals. If the people of one State are going to use the national Parliament to block the aspirations and desires of the people of another, such action must result in reprisals.

Senator FRASER.—If it is a good line, why does not Western Australia construct it herself?

Senator PEARCE.—I am sorry if I have failed to show why Western Australia should not construct this line. I have done my best, but I do not expect anything different from Victoria. I recognise that there are in Victoria two powerful press organs which cannot see anything outside the smoke of Melbourne.

Senator DOBSON.—That is incorrect and unfair.

Senator PEARCE.—It is absolutely correct. A leading journal in Melbourne describes this as a proposal for a desert railway, and is prepared to impute all sorts of improper motives to the representatives of Western Australia. And when I see a newspaper so stoop, in order to defeat this proposal by influencing public opinion, I feel every justification for saying that those organs cannot see beyond the smoke of Melbourne. I do hope and expect that in this National Parliament, we shall get a broader and more national view of those questions, and that members will not allow their opinion to be obscured by the press. I have lived in Melbourne for four years, and during the whole of that time, I have been subject to a torrent of misrepresentation from the two journals of Melbourne on this question. The people of Western Australia have been time after time, through their representatives, insulted by those newspapers, and I take this opportunity to make known my opinion of them. The House of Representatives has, at any rate, set an example which honorable senators might well follow. In that House, the State of Western Australia has a very small representation as compared with the representation of Victora and New South Wales, and I am well pleased to recognise that the representatives of the mother State set a good example, a large majority of them voting in favour of this proposal to obtain information. We do not ask Parliament to commit itself to the construction of the line. Are honorable senators afraid of inquiry? Are they afraid to give an opportunity to prove that there is justification for this railway? If honorable senators are not afraid of such a result, let them vote for the survey. What will the Bill mean in a pecuniary sense to Tasmania? The £20,000 will be spread over 4,000,000 of people, so that the proportion to be paid by the 180,000 inhabitants of Tasmania will amount to £800.

Senator DOBSON.—We have not the money.

Senator PEARCE.—Are the Tasmanian people prepared to refuse, for such a purpose, the sum of £800 to a State which is their best customer, and from which they reap the biggest advantage by Inter-State free-trade? Are the Tasmanian people prepared, for the sake of a beggarly £800, to show themselves so parochial as to refuse to allow a question of this kind to become national? I hope for better things in the Senate. I believe there will be a majority willing to give Western Australia all that is asked, namely, a full inquiry. On the results of the inquiry, let the issue as to the construction of the railway rest.

Senator Sir WILLIAM ZEAL (Victoria).—Senator Pearce is to be congratulated on the masterly statement which he has just placed before the Senate. However much we may differ from that honorable senator, no one can accuse him of want of earnestness. He has put the case from his point of view in a very clear and convincing fashion. But we have to deal with actual facts and not with conjecture; and we ought to take advantage of the experience which has been gained in the older and more populous States. It is idle to tell us that a certain man has travelled over a portion of the proposed route, and has said that in his judgment a line may be constructed for a certain sum of money. As an old railway man, who has surveyed hundreds of miles of line in this country, I can say, without exaggeration, that the cost of the proposed railway is terribly under-estimated.

Senator FRASER.—As an old railway contractor I support that statement.

Senator Sir WILLIAM ZEAL.—It is proposed, at most, to have what engineers call a flying survey; that is a survey which means merely looking over the leading features of the country without regard to full details, and an expression of opinion

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— that is, the surveyor thinks — that a railway can be made for a certain sum of money. We have heard glowing accounts of what can be done on the proposed Inter-State line in the way of carriage of stock, and also in the way of the cultivation of adjoining land, and the conservation of water. But a glance at the Western Australian map shows that in some places the rainfall is only 6 inches per annum, and that even on the coast range it does not exceed 19 or 20 inches. Where will it be possible to get the water for the purposes of this, railway? I lived in Riverina for many years, and built large reservoirs there; and with a rainfall of 15 or 16 inches, the water lost by evaporation during the summer time amounted to 1 inch per day. How much would be lost in reservoirs on the arid plains of Western Australia? The duration of a supply of water would be measured by days and nothing would be left but mud, unless a constant supply were secured from some other source than the rainfall. As a matter of fact, those who are advocating the scheme, at the same time condemn it. A pamphlet published by the authority of the Western Australian Government, containing a report prepared by Mr. John Gwynneth, who, amongst other qualifications, is an associate member of the Institute of Civil Engineers in London, is therein stated to have had "considerable experience in railway construction and management in New South Wales, Victoria, and Queensland," and to hold "the highest credentials from those with whom he has been associated in professional work." From the statement of Mr. Gwynneth it would appear that there is not the slightest chance of the line paying. Even supposing we do not pay much attention to the reports of experts who have not been over the country, we must regulate our judgment by the experience gained in countries where there has been extensive railway construction. Senator Pearce appeared horrified when some honorable senators intimated that there are large areas of drifting sand and other difficulties to be encountered in constructing a railway along the route proposed. Even Mr. Gwynneth recommends that the line, if constructed, should not follow the direct route which Sir John Forrest and others recommend, but should be taken to the south, and kept a moderately short distance from the coast. One advantage of this suggestion which Mr. Gwynneth points out is that a railway at or near Eucla would give facilities for loading and unloading metals and sleepers, which could be taken inland and on to the railway works. Mr. Gwynneth points out that the route he suggests would go over better land, with a larger rainfall, whereas the direct route is through a desert of sand. Mr. Gwynneth says that the northern route, for a distance of about 108 miles, would pass through "high drifting sand hills," as described in the reports of Mr. A. B. Moncrieff, Engineer-in-Chief of South Australia, and Mr. J. B. Stewart, the Inspecting Surveyor of that State. That evidence does not bear out the arguments of Senator Pearce, but goes to show that, instead of splendid agricultural country, there is nothing but drifting sand hills. Do honorable senators, who talk about the carriage of stock, know anything about the question? After a journey of 1,100 miles over a desert railway tract, half of the cattle would arrive nearly dead, while the other half would be in such a state of fever that they would have to be turned into paddocks before they would be fit for consumption. As to the water supply, Senator Pearce pointed out that one or two bores have been put down along the route, and there is no doubt that this railway will have to depend on an artificial system of supply. There are no rivers on this line, and no means of conserving water; and the latter would be a very difficult matter with only a few inches of rainfall.

Senator DAWSON.—That has been said against every trunk-line constructed in Australia.

Senator Sir WILLIAM ZEAL.—Will Senator Dawson kindly explain where?

Senator DAWSON.—On the Longreach to Rockhampton line.

Senator Sir WILLIAM ZEAL.—That is going to the northern part of Australia, and citing a little instance which may in some measure support the honorable senator's argument. Senator Dawson knows that Queensland is blessed with a great artesian supply, which is the source of the State's wealth; but there are none of those great wells in Western Australia.

Senator PULSFORD.—How does the honorable senator know?

Senator Sir WILLIAM ZEAL.—That fact is shown by the formation of the country. Western Australia is a comparatively low, desert country, with large sand plains, where the water, if it percolates, must be

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impregnated very largely with minerals. In Queensland, on the other hand, the water, which falls on high tablelands, is, at all events, of a good quality, such as cannot be found on the country between Port Augusta and Kalgoorlie. On this overland railway, in addition to the 625 miles of railway in South Australia, and the 470 miles in Western Australia, there would have to be reconstructed and relaid 225 miles of line between Adelaide and Port Augusta, and several hundred miles between Perth and Kalgoorlie. On the South Australian railway a portion of the line has a gauge of 5ft. 3in., while further on the gauge is 3ft. 6in. I should like to know how overland passengers will be able to proceed with despatch over a railway with several breaks of gauge. A man leaving Melbourne would commence his journey on a gauge of 5ft. 3in., but after he had passed through Adelaide he would get on to a 3ft. 6in. gauge. I also remind members of the Senate that to make a line capable of carrying heavy traffic at a high rate of speed it would have to be wholly relaid and re-metalled, at a huge expense. The lines between Melbourne and Bendigo and Melbourne and Ballarat are first-class lines, but, after forty years of working, trains now only travel at a speed of thirty miles an hour. It is, therefore, ridiculous to expect that trains could be run on the Kalgoorlie to Port Augusta line at anything like that speed. Furthermore, I venture to express the opinion that, instead of the line costing £4,000,000, which is the estimate, it will probably cost more nearly £10,000,000. Mr. Gwynneth, quoting Mr. J. C. Stewart, one of the inspecting surveyors of railways in South Australia, says that, in addition to the heavy work, it will be necessary to provide 70,000 cubic yards of soil to prevent the cuttings and banks on the railway from being blown away and drifting with the action of the wind. A nice agricultural country that! In the Riverina district of New South Wales during the late drought drifting sand was blown and piled up against the fences so as to cover them up for distances of hundreds of miles, and now it is possible to drive over them without obstruction. Similarly in Western Australia, after a time of hot winds, it will be necessary to uncover and dig out this railway. Yet some honorable members have spoken as though persons are anxious to travel on this railway, and stock-owners are agitating to send their cattle by it. If a man comes to me and says, "I have a good thing," I ask him, "Are you prepared to invest your money in it to prove your *bona fides?*" Similarly, we might expect the people of Western Australia to say, "The prospects of this line are excellent, and we are prepared to back our opinion by voting a sum of money for its construction." What they are doing, however, is trying to impose upon their poorer neighbours. What interest have Tasmania or Queensland in this work that they should be asked to pay a portion of its cost? The expenditure of £20,000 on a survey would hardly give information worthy of the slightest consideration. I hope that honorable senators will not be led away by sentiment, or the desire to avoid hurting the feelings of the representatives of Western Australia, into voting for a proposal which, in my opinion, is a delusion and a snare.

Senator FRASER (Victoria).—I shall not speak very long. If the Bill is to be carried in opposition to my wishes, I shall accept my defeat with a good grace; but I would not dare to give a vote on the second reading without expressing my opinions in regard to the proposal. If I could conscientiously vote for the second reading, I would do so with great pleasure, but my judgment tells me that I should not be right in doing so. £20,000 is not a very large sum, but, as an old and experienced contractor, who for thirty years of his life was engaged in enterprises of this character, I say that the survey could not be carried out for anything like that amount. I do not know that it could be made for £40,000. But this is not the time, when the States, and more especially Queensland, are suffering from extreme financial depression, to squander or throw away money. I was one of a firm of three who built the line from Port Augusta to Farina, a distance of 200 miles. The country through which that railway goes is very superior to that which would be traversed by the proposed line, being good pastoral country, whereas the bulk of that through which the proposed line would pass is a desert, unoccupied by man or beast, notwithstanding the many years which have elapsed since white men settled in Australia. There is no part of Queensland, with the exception of barren ranges, such as the Croyden Ranges, and scrub country, which cannot be occupied except at great cost, which is not being used by squatters.

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Senator DAWSON.—What about the western parts of Queensland?

Senator FRASER.—Most of that land is being used. The rainfall of Queensland is good compared with that of the country through which the proposed line would pass. Port Augusta has a rainfall of only a few inches per annum.

Senator DAWSON.—In Queensland we had eight years of continuous drought. The honorable senator knows all about it, because of the number of stock he then lost.

Senator FRASER.—I lost £30,000 in hard cash by the droughts in Queensland, but I say that, as a general rule, the rainfall in Queensland for the last thirty years has been good. The fact that the country through which the proposed line would pass is unoccupied is positive proof that it is a mere desert. Even when we were building the line from Port Augusta to Farina, the men were instructed to leave their barrows standing on end, and the bullock yokes were stuck up in the same way, to prevent them from being covered by sand before the morning. What is the use of forcing this proposal through the Federal Parliament? It is not by doing wrong things that the Federation will make headway, but by encouraging what is reasonable and proper. The line which it was proposed to construct from Port Augusta to the Northern Territory would have been a thousand times better than that which is now contemplated, because a considerable area of the country along the former route is fairly habitable. If water were obtained by putting down bores along the line proposed to connect Kalgoorlie with Port Augusta, the chances are that it would be unfit for either stock or use in locomotives. Moreover, high-pressure engines would be required to bring it to the surface.

Senator DAWSON.—Does the honorable senator mean to say that stock will not drink the water obtained by means of bores?

Senator FRASER.—They will not drink it if it is brackish.

Senator DAWSON.—Does the honorable senator know of any bores which yield brackish water?

Senator FRASER.—Certainly I do. I have put down half-a-dozen bores at Thurlgoona, and have obtained only brackish water.

Senator DAWSON.—The water obtained by means of artesian bores is of the very best quality for all purposes.

Senator FRASER. — The honorable senator does not know what he is talking about. The water which is obtainable between the surface and the artesian springs is almost invariably brackish.

Senator DAWSON.—That is absolute moonshine.

Senator FRASER.—I put down the first bore in Australia, near Cunnamulla, upon a property owned by the company of which I am the chairman.

Senator DAWSON.—Was brackish water only obtained in that case?

Senator FRASER.—No; but in order to reach the artesian water and bring it to the surface free from contact with the brackish water, which flows in from the intervening levels, pipes have to be sunk, and have to be proof against any intrusion of the brackish water, or otherwise the whole supply will be spoilt. The brackish water flows in between the artesian springs and the surface. In 1883 I engaged the first man who put down an artesian bore in Australia. I know that Queensland is full of fresh water, and that if the bores are put down sufficiently deep good supplies can be obtained. If, however, the bores are not very deep, and the water does not rise to the surface, it is brackish and is not fit for stock.

Senator DAWSON.—The stock seem to thrive on it.

Senator FRASER. — At Thurlgoona I put down two or three bores to a depth of 400 feet, and the water obtained would have poisoned a native cat. The construction of a railway for 1,100 miles through country which does not yield water fit for use in locomotives would be an undertaking of the greatest magnitude, presenting difficulties of which no one could conceive except those who have engaged in similar enterprises. A continuous service of trains would be required to carry water beyond the first fifty miles from the termini, and unless sidings were put down at every few miles, a double line of rails would have to be laid down. I speak with the knowledge of one who has been engaged in railway construction for thirty-five years, and I am sure that if a competent railway engineer, able to offer an unprejudiced opinion, were engaged to report upon the proposal, he would fully bear me out.

Senator DAWSON.—According to the honorable senator's argument, the railway from Maryborough to Bundaberg should never have been constructed. The country between the termini is absolutely poverty-

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stricken, but when the line reaches Bundaberg it enters a very rich tract.

Senator FRASER. — I know that the country between Kalgoorlie and Port Augusta is of the very poorest description, and that it would not pay to construct a line to traverse it. The cost of building a broad-gauge railway would be greatly in excess of the estimate, and, furthermore, it must be remembered that all the railways in South Australia to the north of Terowie are built upon the narrow gauge of 3 feet 6 inches.

Senator DOBSON.—Should we be able to secure in England the money necessary to enable us to carry out the work?

Senator FRASER.—The credit of Australia has not yet been quite exhausted, but if we were to carry out any such wild schemes as that now proposed, we should further injure our already damaged credit. There are plenty of opportunities for the profitable employment of capital in this great country, and we should not do anything that would have the effect of interfering with legitimate enterprises. If we constructed this railway we should be handicapping the people of Australia to a very serious extent. I declare, upon my honour, as a railway contractor who has some knowledge of the difficulties of construction, and as a squatter with some knowledge of country, that the proposed railway would not pay for the grease used on the wheels of the rolling-stock.

Senator DAWSON. — Has the honorable senator ever been over the country?

Senator FRASER.—I have been over part of it, and I know a good deal with regard to the experiences of those who have passed through it. The contractor for the construction of the telegraph line *viâ* Eucla had to use camels in carrying out his work, and was obliged in the end to throw up his contract.

Senator DE LARGIE.—But the telegraph line follows the coast by a route quite different from that along which the railway would be constructed.

Senator FRASER.—The gentleman, who was our engineer when we were building the Port Augusta line, states that the coal for the locomotives would have to be imported *viâ* Eucla, or the other harbor. If the country is so barren that it will not grow sufficient timber to supply fuel for the locomotives, what can we expect? In almost every country there is timber growing. But in this country the rainfall is so slight that timber will not grow. Would any sane contractor import coal for his locomotives to burn while he was constructing the railway if he could get wood along the route? It would cost five times the money if he had to use coal for his locomotives.

Senator DAWSON.—Take the railway from Townsville to Winton. There is no coal-mine on the route, and timber is used for the locomotives.

Senator FRASER.—In Victoria wood is used on some of the railways. On the private line from Echuca to Deniliquin we have used wood all the time.

Senator DE LARGIE.—Was wood used in Victoria before coal was discovered here?

Senator FRASER.—Certainly. A contractor would be mad to use coal if there were wood to be got along the line.

Senator DE LARGIE.—Did not the Government consume Newcastle coal?

Senator FRASER.—Newcastle coal must be used on a permanent line on account of the sparks which very often fly from an engine when it is heavily laden.

Senator DE LARGIE.—That is all that this gentleman proposes here.

Senator FRASER.—If there were wood along the route he would not propose to bring coal there.

Senator STANIFORTH SMITH.—On the maps it is marked as well-timbered country.

Senator FRASER.—Are they going to run a railway along the coast when they have steamers which will run at the rate of from eighteen to twenty knots an hour? Who ever heard of a railway being constructed to run in competition with steam traffic? In the eastern States the lines have been built through country which was occupied. The steam-ship companies would not lose a jot by the construction of this overland line. What passenger would go by a railway through a barren, droughty country?

Senator DAWSON.—The honorable senator has shares in the steam-ship companies.

Senator FRASER.—The interjection is very silly, because while I have chartered many ships, I have never had an interest in a ship in my life. It would not interfere with the steam-ship companies if there were half-a-dozen railways to Kalgoorlie. I went to the library a little while ago to get the work written by my good friend, Sir John Forrest, on the exploration of this territory. The book has been lent, and therefore I cannot quote some exploration notes, which, I may mention, are very

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much opposed to this proposal. It is sometimes said that there was an understanding that this line should be constructed. I was a member of the Convention which framed the Constitution. I spoke at many meetings during the Federal campaign, and opposed this proposal from the beginning. When the press of Australia knew little about the country, I spoke against the project.

Senator DAWSON.—Western Australia would not have joined the Federation, except on that understanding.

Senator FRASER.—There was no understanding of the kind, and as you, sir, know, the subject was never mentioned in the Convention. If the Premier of South Australia, and the Premier of Western Australia chose to put their heads together, and come to an understanding, that does not bind the Commonwealth. It is very patent to us now, however, that South Australia is not in favour of this project. Her public men know all about the territory to be traversed.

Senator DAWSON.—Senator Pearce has upset that argument by quoting many things which have been said particularly by Sir Frederick Holder.

Senator FRASER.—Many things are said which are not true. The Commonwealth is not bound to spend money, even on a survey, but if any money is spent for that purpose it will bind us to go a step further. I should like a high official who is not under any obligation, except to state the truth, to make a report, without going over the country. It is an undertaking to go over the route.

Senator DAWSON.—A man took his family and stock along the route from South Australia to Kalgoorlie.

Senator FRASER.—In that case, why does not Western Australia, which is a wealthy State, bring up a report, and settle the controversy? It is absurd to compare this transcontinental line with any Inter-State railway, because in each case the latter was built through country which was occupied, and consequently there was no difficulty about its construction, nor was there any water competition. No railway in the world can compete with water competition. At the present moment we have been carting wool right from the head of the Darling down the whole length of that river up to Echuca, on the Murray—hundreds of miles—because 300 or 400 miles by rail would cost three times as much. Water communication can run rings round railway communication anywhere. If this railway would benefit Australia, or even if it would benefit Western Australia, I would vote for it. I know that there are parts of Western Australia that are suitable for agriculture, and I believe that the time will come when that State will export, instead of importing. But the country which would be traversed by this railway will not be brought under cultivation, if only on account of the absence of rain. There is not a stream or a water-course for hundreds of miles. There is no sign of a stream marked on any map.

Senator PEARCE.—Nor is there on the Broken Hill line, but that pays.

Senator FRASER.—I grant that if there were mines along the line my mind might be changed. But I believe there are no mines.

Senator STANIFORTH SMITH.—What about the Tarcoola Gold-fields?

Senator DAWSON.—Does the honorable senator know of any place where there is no possibility of finding mines?

Senator FRASER.—There are prospectors in every part of Australia looking for mines, but none have been found in this tract of country. I should be only too glad if the land could be made valuable. I have invested money in Western Australia myself, and have lost it. I have been cured of that sort of thing, and I do not wish to rush the Commonwealth into dangerous speculations. We have had our troubles, and we ought to go slow and sure for a time. When the drought is all over, five years hence, if the people of Western Australia cannot afford to pay for this survey themselves, they may come to us again, and we may be inclined to act generously towards them. I am an old railway contractor, and in my conscience, I believe that this line would be a terrible failure. There is no justification for the expenditure of money upon it in any shape or form. For these reasons, although I regret to have to do so, I must vote against the second reading of the Bill.

Senator PULSFORD (New South Wales).—Just as a penny-piece applied to the eye will keep out the light of the sun, so local interests can be used to obscure great national ones. I feel very much as though this matter were not being considered as it ought to be. Senator Fraser, who has just spoken, said, for instance, that in Western Australia they had to import a great deal of stuff from the other States. He used that as evidence of the unproductive nature

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of the country to be traversed by the railway. But if the honorable senator will cast his memory back some years, he will find that the position in the West to-day is exactly what it was in Victoria in the fifties. It is because people in the West find it profitable to produce gold, and to buy their products from other States, that they are importing so much. But that is no argument against this line. Indeed, it is considerable evidence of the poverty of arguments against the proposal before the Senate.

Senator Sir WILLIAM ZEAL.—This land has been unsettled since the establishment of Western Australia.

Senator PULSFORD.—I draw attention to the fact that we hear very much about the character of the land that lies between the west and the east, which this railway would connect. As for the work which that line would do, one important work would be the speedy transit of our mails for Europe. I suppose that if this line were built, it would expedite the European mails by two days between the east and west coasts. In addition, there is the extreme desirability of making the best possible arrangements for the defence of Australia. I should be quite willing to see this £20,000 included in the Defence Estimates, and paid for by all Australia on that basis. I strongly urge honorable senators to view this question from a broad, national stand-point, and not from a narrow local one.

Senator WALKER (New South Wales).—Senator Pulsford has, curiously enough, dealt with two matters to which I intended to refer. From the time I came forward as a federalist, I have always encouraged the hope that the day is not far distant when a railway will run between the east and west of Australia. I believe that those of us who are genuine federalists will admit that it is only a matter of time when this railway will be constructed. At present we desire information, and if for £20,000 we can get it, whether it be favorable or unfavorable to the construction of the line, the money will be well spent. In these days of practical politics, let us see what £20,000 means. We have in Australia a population rather over, than under, 3,600,000 persons; £20,000 represents 4,800,000 pence, so that this expenditure would involve a charge per capita on the people of the Commonwealth of 1⅓d. That is to say, Senators Fraser, Zeal, and Best would together represent an outlay of 4d. on this work, and every nine persons would contribute 1s. towards it. I should like to know why tenders should not be called for this survey? I am satisfied that perfectly competent surveyors would be very glad to undertake this work for £20,000. Judging from the experience gained in Western Australia, the gold area of that State extends eastward, and there is no reason why we should not expect the discovery of other gold-fields beside that at Kalgoorlie. It is a singular fact that a country which is not good for agricultural purposes is commonly found to be good country for minerals. In connexion with another matter, to which reference has been made, I would ask what proof have we that we shall not find artesian water in this country?

Senator DOBSON.—Sir John Forrest has said that there are no minerals in this country.

Senator WALKER.—Sir John Forrest is a gentleman for whom I have a very great regard, but he has not been over the whole of this country. If the information supplied as the result of this survey is at all satisfactory, I would ask whether this railway could not be constructed on the land-grant principle, with the necessary reservation that the Government should hereafter have the right to take it over. It seems to me that when we have an enormous area of land lying idle, we can very well afford to offer it for the construction of a railway. I am aware that many persons object to the alienation of a single acre of land. I am not one who holds that view, as I believe that if land is alienated, a good use will be made of it. Senator Pearce has informed us that the line from Southern Cross to Coolgardie cost £1,500 per mile to construct. It is therefore clear that there would be no engineering difficulties to surmount, and at this rate, 1,000 miles of railway could be built for £1,500,000. I have been trying to count heads, and, so far as I can learn, the Senate is about equally divided on this matter.

Senator PEARCE.—If we could secure pairs for sick men, we should have a majority of one, and I am afraid we shall be defeated by unfair play.

Senator WALKER.—I am sorry to hear that. In New South Wales, in many speeches which I had the honour of delivering in the days gone by, when I

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sought election as a member of the Federal Convention, I advocated a railway between the eastern States and Western Australia. I went further, and advocated, in time, the construction of a railway from Adelaide to Port Darwin. My theory is that if we are ever to become a great nation, we must be in a position to send our troops from one part of the Continent to another. When it comes to a matter of national preservation, £20,000 to secure reliable information would be money well spent. I have no doubt that the majority of honorable senators desire that kindly feeling should exist between the east and the west of Australia, and I have not the slightest hesitation in giving my support to this proposal.

Senator Lt.-Col. GOULD (New South Wales).—I join with Senator Walker in the desire he has expressed that good feeling should continue to exist between the east and west of Australia. But this is a matter which must be viewed from a practical stand-point. It must be shown that by the expenditure of the sum proposed, we shall get information which will justify us in constructing this railway from the east to the west. It may be contended that by this expenditure we shall obtain information which will enable us to give an intelligent vote upon the proposal to construct the railway at some future time. But if we take the trouble to consider the population of Australia, and the nature of the country between Western Australia and the eastern States, it must be admitted that there is a very large area of country on the proposed route of this railway which is utterly valueless, and with our sparse population the amount of traffic which would pass over this line would be so small that if it were constructed within a reasonable number of years, it would in all probability only be a cause of annual expense, far in excess of any revenue which we might expect to derive from it. I have the greatest sympathy with our friends in Western Australia, but I feel that even the expenditure of this comparatively small sum of money can hardly be justified at the present time. If I had any idea that the result of an investigation of the character proposed would give the slightest scintilla of justification for the construction of a railway in the immediate future, I should give my vote in favour of the Bill. But, from all the information we have obtained up to the present, it does not appear that we would be able to obtain an adequate return from a railway of the kind within any reasonable period. It is estimated that a railway between Port Augusta and Kalgoorlie would cost £5,000,000 or £6,000,000. Whether the line would really cost such an amount I, personally, am unable to say, but I do regard the question from the financial standpoint. If anything like that cost were incurred, we should have to find from £150,000 to £200,000 per annum by way of interest.

Senator WALKER.—The line would not cost more than £2,000,000.

Senator Lt.-Col. GOULD.—There would be peculiar difficulties in the construction of the railway, and large expenses would have to be incurred.

Senator PEARCE.—The engineer's estimate of cost is £4,000 per mile.

Senator Lt.-Col. GOULD.—That means £4,400,000 for 1,100 miles of railway, and a large amount would have to be provided for interest, even if money could be obtained at as low a rate as 3 per cent.

Senator WALKER.—Why not have a survey?

Senator Lt.-Col. GOULD.—Is the honorable senator prepared to sanction the expenditure of a large sum for the construction of this railway by the Commonwealth?

Senator WALKER.—At present, certainly not; but we wish for information.

Senator Lt.-Col GOULD.—What is the good of a survey unless there is some prospect of building the line within a reasonable time? I am sure that if Senator Walker saw that there would not be an adequate return for years to come, he would not be prepared to involve the Commonwealth in a large expenditure for the purpose of a survey.

Senator WALKER.—We ought to have the information.

Senator Lt.-Col. GOULD.—Have we not sufficient information to justify us in saying that a railway of the character will not pay for many years to come? The strongest argument in favour of the line is that advanced from the point of view of defence. But are honorable senators prepared to incur a large expenditure on that ground? A period of four days would, I presume, be required before troops could be moved across the Continent by means of a 3ft. 6in. railway. A railway of this character, if built at all, ought to be on the standard gauge, which would, of course, mean a much greater

expenditure than that mentioned by Senator Pearce. As to the argument that the construction of a line would shorten the time occupied in the carriage of the mails from the old country, I feel sure that a line to Port Darwin would be of materially greater assistance. With the fullest desire to do what I can to assist the Western Australian people, there appears to me to be, at the present time, no justification for undertaking an expenditure of even £20,000, which would really mean an indication to our fellow citizens in the west that this Parliament was favorably disposed towards the construction of the line; and I do not believe that a majority of honorable senators are favorably disposed to the project. They cannot fail to see that the railway would entail very serious expenditure for many years. I believe that all of the States are in an impecunious position, and that they find their revenues insufficient for the expenditure. It is now a matter of great difficulty to obtain money in the old country, and I do not think that the Commonwealth would do one whit better than any of the States if it were desired to raise a large loan.

Senator Sir JOSIAH SYMON.—We are not going to borrow money at present to construct the railway.

Senator Lt.-Col. GOULD.—But we are going to spend £20,000 to obtain information.

Senator DE LARGIE.—How is it proposed to raise money with which to build the Federal Capital?

Senator Lt.-Col. GOULD.—We shall deal with that question when it arises, and, in any case, the Federal Capital will not cost £5,000,000, or anything approaching that sum. I may say that, at first, I was in some difficulty as to what action I should take in regard to the present Bill. I was anxious to hear what could be said in its favour, and I am sorry to say that, as a result of my inquiries, I feel that I would not be justified at the present juncture in voting for an expenditure of money for the purposes of a survey of the line, which I do not believe will be constructed for many years to come.

Senator Lt.-Col. NEILD (New South Wales).—If I had had any doubt as to the attitude I should take in regard to this measure, my mind would have been entirely made up on listening to the deprecatory remarks of the Attorney-General. The honorable and learned gentleman's speech so utterly damned the project with faint praise, or with no praise at all, that in a fairly long parliamentary experience I never heard a measure submitted in terms of such deprecation. If it is not proper that this line should be constructed in the near future; and the Attorney-General was good enough to tell us that he is not an advocate of its early construction——

Senator Sir JOSIAH SYMON.—Of its immediate construction.

Senator Lt.-Col. NEILD.—Then I say that, as a representative of the taxpayers, it is no part of our duty to vote for an expenditure which it is not intended to follow up, if the survey be favorable from a constructive stand-point. If it is not desirable to immediately set about the construction of the line, it is not desirable to initiate an expenditure, the limits of which no man can tell. One of my earliest experiences in voting money, as a Member of Parliament, was in connexion with a sum of £15,000; and I remember that, before the work was completed, the outlay amounted to something like £160,000. Is there any human being who can possibly tell what will be the final limit of the expenditure now proposed? It is quite possible that after the £20,000 has been voted, and the work entered upon, we shall be told that if we do not spend a few thousands more—probably some score of thousands more—the whole expenditure will be absolutely thrown away. We have heard to-night from Senator Pearce that the State which is most anxious for the construction of this line has great resources, and is immensely wealthy. The honorable senator tells us that people who have lived in Victoria and New South Wales are doing uncommonly well in Western Australia, and that they occasionally visit these less-favoured States in order to spend their money amongst their poor relations. Yet it is the pockets of the poor relations which have to be rifled for the purposes of this survey. Two-thirds of the population of the Commonwealth live in the eastern States, and, according to Senator Pearce, are the poor relations of those who live in the western State, though they are being called upon to find the money for this survey. I admit that only £20,000 is being asked for, but of that amount the State from which I come will have to find £7,000, and Victoria a similar amount, while the balance will be contributed by the four other States in different sums, the State which is to get all the benefits from the expenditure being that which will contribute about the least, although, according to Senator Pearce, it

is the richest in the Commonwealth. If everything is to be subordinated to the question of communication for defence purposes, I might take a different view of this proposal; but, so far, nothing in the Commonwealth has been subordinated to defence purposes. Not very long ago there was a proposal to mount a solitary cannon in Fremantle for the defence of that port, and the Fremantle newspapers of January and February last show that the Fremantle Chamber of Commerce formed a deputation to urge that the cannon be not mounted, because, if fired, it might break some of the windows of the town. If the defence needs of Fremantle are so discounted by the representative body of traders of that port, it is little more than farcical to ask the Commonwealth to initiate an expenditure which will run into anything between £5,000,000 and £10,000,000 to defend it.

Senator PEARCE.—There was no objection to mounting the gun, but it was thought that it should not be mounted on a spot right in the middle of the town.

Senator Lt.-Col. NEILD.—It was, perhaps, unfortunate that Fremantle was not provided with a sufficient number of eminent hills to give a choice. Report after report by the late General Officer Commanding the Defence Forces of the Commonwealth has been laid on the table of the Senate, and of the other Chamber, all asserting, in the most emphatic manner possible, that the railway would be useless for defence purposes, because we have no force which could be transported over it. There is evidence that Major-General Hutton's opinions are received with a great deal of credence by some honorable members, and I ask them, therefore, to accept that opinion. Moreover, there is no likelihood of the Commonwealth having a sufficiently large force to make transportation possible in the near future. We have no right to construct the line as a mere speculation. The present military organization does not permit the bringing together in the eastern States of a number of troops sufficient to defend Western Australia. No arrangement is contained in the Defence scheme which is being adopted by the Government, and for which we have made provision today in the Appropriation Bill, whereby the eastern States could be stripped of troops for the defence of the western State. If the line is to be of use for purposes of defence, we must enormously augment our military forces. But there appears to be no intention to do that. I say emphatically that we have not a man to spare now. There is only a skeleton force in any part of the Commonwealth. Take the great district of Newcastle, New South Wales, as a typical case. The troops provided for the defence of that district do not number 800 men, while for the Botany and Woollongong districts not 500 men are provided. That being so, it is the wildest nonsense, and the most preposterous logic, to suggest that the railway will be of service in providing for the transport of troops to defend Western Australia. I may be accused of uttering sentiments which are unfederal.

Senator PULSFORD.—Very unfederal. The honorable senator is making Australia look very small.

Senator Lt.-Col. NEILD.—The honorable senator is always laboriously endeavouring to achieve that result. To defend a great territory we must have a large number of troops. You cannot move an infinitesimal force from place to place in ordinary warfare, though you might do it with tin soldiers out of a child's toy box. Until the Commonwealth is prepared to pay for an adequate defence force, it is useless to speak of spending £5,000,000 or £10,000,000 on a railway for the transport of troops which do not exist.

Senator FRASER.—It would be better to spend the money in buying fighting ships.

Senator Lt.-Col. NEILD.—Very much better. Not only are we to be put to the cost of constructing the railway, but there will be an annual loss on this white elephant, I might almost say, this lunacy party's line. If the money could be borrowed at 3½ per cent., which we know is impossible at the present time——

Senator FRASER.—New Zealand is paying more than 4 per cent. at the present moment.

Senator Lt.-Col. NEILD.—The cost of raising a loan, together with brokerage, interest in advance, and other charges, makes it impossible to borrow money for less than 4 per cent. The policy of the Commonwealth Parliament, however, has been to prevent borrowing.

Senator PEARCE.—To prevent borrowing for the erection of post offices and the carrying out of similar works, which should be provided for out of revenue.

Senator Lt.-Col. NEILD.—No one who looks at the figures will imagine that the annual deficit on the working of the line will be a penny less than £120,000. Of course Senator Pulsford will say that

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I am not acting in accordance with the true Federal spirit, when I point out that the State which sends me here would have to find £40,000 per annum to make up the deficit on a line of railway which every one who has spoken admits is not likely to earn any revenue from the stand-point of goods traffic. We know that there is absolutely no Inter-State goods traffic by railway. There is none between Adelaide and Melbourne, or between Melbourne and Sydney, and there is absolutely none between Sydnev and Brisbane.

Senator Dobson.—They are going to carry fat bullocks by this line.

Senator Lt.-Col. NEILD.—We have been told by one honorable senator that this line will earn revenue by carrying fat stock. Another enthusiast has informed us that the desert is such a land of Beulah that somebody with his wife and small children has travelled across it with his horned stock, horses, sheep, pigs, and poultry, without losing a head after striking the beautiful and prosperous country that lies to the west of Port Augusta. These enthusiastic utterances would be admirable upon the hustings; but they are simply thrown away when addressed to a man who has a sense of his responsibility, in the matter of hard cash, to the people of the community.

Senator de Largie.—Does the honorable senator say that the statement is untrue?

Senator Lt.-Col. NEILD.—I say that the two statements cannot be equally valuable. If the country through which this line is to pass is so beautiful that, as the man who paraphrased Scripture said, "The children of Israel with their horses and their flocks and their little ones" could cross it without losing a head of stock, it is obvious that the line would not earn money by carrying fat stock. Fat stock would grow fatter and more valuable the further they travelled over this delectable country—a country so delectable that I believe even the rabbits have fought shy of it. I understand that it does not carry one goat to the square mile, one blackfellow to twenty square miles, or a rabbit to the acre.

Senator Fraser.—Rabbits cannot live without water.

Senator Lt.-Col. NEILD.—Nor do I think that human beings can, unless they are to practise some new form of prohibition.

Senator Pearce.—It may be interesting for the honorable senator to learn that something like £100,000 is being spent in erecting rabbit-proof fencing on the South Australian borders, in order that the pest may be kept out of Western Australia.

Senator Lt.-Col. NEILD.—I did not know of that; but what I do know is that small fortunes have been made in certain cases by persons who have erected rabbit-proof fences at the expense of the taxpayer, who has been what is commonly known as sweated for the purpose of political jobs in this respect. I should feel it my duty to vote for a line which actually involved true Commonwealth interests. A line that would be a service to the whole Commonwealth would be one to which I should be very much more disposed to give an enthusiastic support than a strong opposition. But, if we begin with the northern capital of Queensland, we find that a railway has been built by the State from Brisbane to the New South Wales border; that New South Wales has built a railway, on which she is losing £60,000 a year, between the Queensland border and Sydney; that she has also built a line of railway, something like 400 miles in length, from Sydney to the Victorian border; that the Victorian Government have built their line of railway, some 176 miles in length, from the New South Wales border to the capital where we are now happily placed, and from the capital to the South Australian border. Then again, South Australia has taken up her burden and built her line from the Victorian border to Adelaide. Now we are suddenly asked by the golden-shored State to pay not only for the building of this line, but for the survey. We are asked to pay even for the promoters' fees of a line that will admittedly benefit only Western Australia. I cannot conceive that it is the duty of the Commonwealth to pay for the construction of a local line designed to serve local interests. It cannot be advanced for one instant that the construction of this line would be attended by the smallest advantage to Queensland; that it would be of the most remote advantage to New South Wales, or of the slightest interest to any one in Victoria. Although it might have some remote advantages of a very minor character for South Australia, the whole argument that we have heard is that it would be of advantage to Western Australia. I am prepared to admit that for the sake of argument, although I think I shall be able to show that the prospective advantages are very infinitesimal. It cannot be the duty of the

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Commonwealth as a whole to laboriously and profligately spend money for the benefit of only one portion of it.

Senator STEWART.—Would that be a profligate expenditure?

Senator Lt.-Col. NEILD.—It might be. I recollect a case which occurred in a State not many hundred miles away from here, where a dispute had been going on for I do not know how long, relative to the erection of a lock-up in a country town. This town, like a good many others, was of a straggling character. One portion existed at a certain point; then there was a kind of a hiatus, and after passing over a distance of three-quarters of a mile, the rest of the town was to be found. There were many deputations to the Government as to where the lock-up should be placed, and finally a Government official was sent to make inquiries and report. As might have been expected, he interviewed the mayor of this little township. He said to him, "I want you really to tell me what, in your opinion, would be the most suitable site." "Well, look here," said the mayor, "it don't matter twopence where you put the lock-up, as long as you spend the money in the town." I think there is a moral in that simple story. It does not matter twopence whether we build this railway or not, as long as we spend the money on the survey. That is the position which is presented to us.

Senator HENDERSON.—Oh!

Senator Lt.-Col. NEILD.—The honorable senator emits a kind of wail or moan indicative of great suffering. I appeal to the honorable senator as one whose sense of fairness I respect, to say whether he can find in the speech delivered by the Attorney-General, in moving the second reading of the Bill, one solitary excuse for the expenditure that we are asked to incur.

Senator HENDERSON.—But that may not justify the expression which the honorable senator just used.

Senator Lt.-Col. NEILD.—Perhaps not. I may be wrong, but I have expressed the opinion which has been forced upon me. The one great thing to be achieved at the present time is the survey, perhaps for some ulterior purpose not entirely unconnected with a future general election. Australia has been pretty well exploited, and we know that wherever the land has offered a chance for a man to make a home, or to raise a crop, it has been taken up with fair promptitude. If the tract of country between Kalgoorlie and Port Augusta is such a land of Beulah, as has been represented, why has it not been settled long before this? The very mention of the name of Kalgoorlie points a moral, and adorns a tale. Not so many years ago, Coolgardie was the pivot of the Western Australian gold-fields, but the bottom fell out of that field, and Kalgoorlie came to the front.

Senator PEARCE.—Coolgardie is still the second largest and most prosperous town upon the gold-fields.

Senator Lt.-Col. NEILD.—It may be the second in importance; but it had to take second place, because its early promise was not fulfilled. My moral is that it is a precarious thing to spend a large sum of of money upon the construction of a railway merely to reach a mining centre. We do not know from one month to another what will be the outcome of mining ventures. It must be remembered that the more successful mining development is, the more quickly the resources exploited will become exhausted. Farming operations bring about opposite results. The more the soil is cultivated, and the greater the extent to which Nature is subdued, the more valuable the land will become.

Senator DE LARGIE.—Wonderful!

Senator Lt.-Col. NEILD.—There is nothing wonderful about it; but it is as well that the truth should be told when a proposal is submitted for the construction of a railway to reach a mining settlement.

Senator DE LARGIE.—Then, why do the people of New South Wales consent to the impoverishment of the Newcastle district?

Senator Lt.-Col. NEILD.—The honorable senator is not doing justice to his well-known intelligence. If he had exercised his intellect, he would have been able to see the great difference between following the more or less narrow leads of a gold-field, and seeking to win mineral wealth which extends over thousands of square miles.

Senator DE LARGIE.—In either case, the amount of wealth is being reduced by mining operations.

Senator Lt.-Col. NEILD.—I fully appreciate my honorable friend's enthusiasm for the gold-fields of Western Australia, but he must see that there is no possible comparison between the means of transit required to convey ounces of gold, and those needed for the conveyance of the millions of tons of coal won from coal mines, such as those at Newcastle. Having regard

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to the manner in which all the available lands of the Commonwealth have been taken up for the purposes of cultivation, or pastoral occupation, how is it that over the wide range of country, extending between Port Augusta and Kalgoorlie, there are as far as we know, no human settlements? Even the blackfellows cannot exist there. Senator Walker has stated that where the land is unsuitable for agricultural or pastoral purposes, it is likely to prove rich in minerals. I do not suppose, however, that, in his capacity as one of the leading financiers within the limits of the Commonwealth, he would ever dream of making an advance of public or private funds upon such lands on the off-chance that neath the wilderness of shifting sands, some mineral products might be found. My honorable friend, in his splendid Federal enthusiasm, has, I think, rather given himself away. We know that there are thousands and thousands of miles of desert sands in Arabia, and in the Sahara; but we have not heard of any proposal to spend millions of money in constructing railways to traverse these wastes upon the chance that valuable minerals might be found. No one appreciates more than I do the kindly enthusiasm and Federal devotion evinced by Senator Walker; but when it comes to spending the hard cash of the taxpayer upon wild-goose propositions, I cannot follow him. Would my honorable friend in his position as a director of more than one of our greatest monetary institutions be prepared to advance even one penny per acre upon the land that is to be traversed by the railway? We are told that at one side of this 1,100-mile track there is something like 400 miles of railway upon the 3ft. 6in. gauge, whilst there is a similar length at the other end. Does any one suppose for a moment that it would be possible to usefully operate a 3ft. 6in. line for such a long distance as that contemplated? I have, upon many occasions, travelled over the very excellent 3ft. 6in. lines of Queensland, but no one in his senses would care to travel over such lines at nighttime.

Senator Pearce. — The Kalgoorlie express runs every night.

Senator Lt.-Col. NEILD.—I know that the space allotted to sleepers in narrow-gauge carriages is so limited that when the conductor comes along the passage he can scarcely avoid bumping against the shoulders of the reclining passengers.

Senator Pearce.—The sleeping-cars on the Kalgoorlie line are far more comfortable than those used on the New South Wales railways.

Senator Lt.-Col. NEILD. — I am delighted to hear it. I am surprised that the State which can afford to provide such splendid rolling-stock should consider it necessary to ask its poor relations in the eastern States, who have to put up with such inferior accommodation, to defray the cost of the survey of the proposed line. It is absolutely absurd to propose to have a line of 2,000 miles or more in length, except with the standard gauge.

Senator Pearce.—Between what points does the honorable senator mean? The distance between Kalgoorlie and Port Augusta is only 1,100 miles.

Senator Lt.-Col. NEILD.—I mean between the end of the 5ft. 3in. line in South Australia and Fremantle.

Senator Pearce.—But even then it is not 2,000 miles long.

Senator Lt.-Col. NEILD.—It is so near 2,000 miles long that we need not quarrel over the distance. I have not been pretending to occupy time with trifling details. I have been speaking rather by and large, as the sailors say.

Senator Pearce.—The honorable senator has not inquired into the subject at all.

Senator Lt.-Col. NEILD.—My honorable friend smiles when he says something which, if it were accurate, would be discourteous. I am sure that he would prefer to be accurate rather than discourteous.

Senator Pearce.—I was smiling at the "by and large" expression.

Senator Lt.-Col. NEILD.—I feel that I am doing my duty in opposing this project.

Senator de Largie.—I hope that this spasm of economy will hold the honorable senator fast until we have done with the bush capital.

Senator Lt.-Col. NEILD.—That is another story. I do not think it is quite fair that I should be girded at in this manner, seeing that I have almost gone out of my way to give a pair. If, in my speech, I have shown a distinct opposition, I have not by my pair evinced the least possible element of partisanship.

Senator Pearce.—In that respect the honorable senator's conduct is in startling contrast with that of others.

Senator Lt.-Col. NEILD.—I do not wish to draw comparisons, and I would prefer not to be made the subject of them. In speaking as I have done, I have run the risk

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of giving offence to a great number of persons in the Commonwealth. No public man cares to make himself unpopular; but I have taken that chance. If I have spoken strongly, and in a manner which has given pain, perhaps offence, I am sure it will be recognised that I have spoken from a sense of public duty, and with no element of personal feeling. Had it been possible for me to adopt another view it would have been infinitely more consonant with my personal feelings, because I know that in speaking and acting as I purpose doing I must, to a certain extent, come into painful contact with honorable members of this Parliament, for whom I entertain the greatest regard and the warmest friendship.

Senator DE LARGIE (Western Australia).—I am quite sure that Senator Neild will not take our very mild interjections in a personal sense. We recognise and give him credit for his fairness in granting a pair, and his straight-out opposition to the scheme we can understand and appreciate as that of an honest opponent. I am sorry to say that some honorable senators are not treating this question in the liberal spirit which is usual in the Senate. I have never known a pair to be refused to an honorable senator when he was on a sick bed until this occasion, so that it is a unique event in our history. There should be no such strenuous opposition to a proposal of this kind, when it is remembered that it is simply one for the spending of a paltry £20,000 on an inquiry which will enable us to say whether this great national work is justifiable or not. This paltry sum is denied to a State which undoubtedly expects treatment more in harmony with the high-sounding sentiments which were expressed in pre-Federal days. When we contrast the finely-rounded periods of the ardent federalists of those days with the utterances of this evening, we must come to the conclusion that there is a tremendous falling-off in the Federal spirit. There can be no gainsaying the fact that Western Australia was led to believe, by every sign it could possibly interpret, that the eastern States were undoubtedly friendly, and that some of them were pledged up to the hilt to assist in the building of this railway.

Senator HIGGS.—The honorable senator would not call Sir Frederick Holder "every sign"?

Senator DE LARGIE.—I do not consider that Sir Frederick Holder, the Premier at that time, was speaking for every statesman in Australia. We were told that the only State which was standing in the way of this project was South Australia, and when we got its word of promise in writing and by telegram, we naturally concluded that the other States would be as good as their word. The letter of Sir Frederick Holder has been read and placed on record. We know that Mr. C. C. Kingston pledged South Australia to this proposal as far as any public man could possibly do. When we found those two prominent gentlemen in the political life of South Australia taking an active part in the advocacy of this proposal, and its opposition to it removed, we naturally concluded that the eastern States would not stand in the way. I do not wish honorable senators to run away with the idea that only Mr. Kingston and Sir Frederick Holder promised us support from South Australia. I am pleased to have this opportunity of congratulating the Attorney-General upon assisting to carry out a promise to which he was a party. From a very lengthy letter, I have extracted a passage which touches this important question, and I think that after it has been read you, sir, will admit that it represents the prevailing opinion in your State at that time. It appeared in the *West Australian* of 9th July, 1900; that is, a very short time before the referendum was taken to decide whether it should accept the Commonwealth Constitution Bill or not, for up to that period it was well known that all the other States were practically in the Federation. The only State which stood out, and was likely to stand out, was Western Australia. That State, occupying one-third of the whole continent, was looked upon as a great bar to the unity of Australia.

Senator KEATING.—What is the date of that?

Senator DE LARGIE.—July, 1900.

Senator KEATING.—The Queensland referendum had not been taken at that date.

Senator DE LARGIE.—The other States had taken their referenda, and Federation was practically a foregone conclusion, except in regard to Western Australia, which, as I have said, was a great bar to the accomplishment of a "united Australia" — that nice, high-sounding phrase of which we heard so much at the time. The following is the statement which Senator Symon made:—

Federation must inevitably give to Western Australia, at a very early date, the transcontinental railway, upon which your and our hearts are set. That will be one outward and visible

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link to join Western Australia with the rest of the Federation. In my belief, the acceptance of the Commonwealth Bill by Western Australia will mean the speedy inauguration of that work.

There is no doubt as to the sentiments expressed by Senator Symon. There is nothing indefinite in his statement. Everything is clear and to the point. I am pleased that to-night the honorable and learned senator is assisting in an honorable and straightforward way to carry his promise into effect. I do not wish it to be thought that only the South Australian public men pledged themselves to this work prior to Federation.

Senator WALKER.—"One continent one people" was the cry at that time.

Senator DE LARGIE.—Yes "one continent, one flag" was the cry; but it is quite the other way about to-day.

Senator KEATING.—Hear, hear; no State has shown that more than Western Australia.

Senator DE LARGIE.—I am sorry that Senator Keating, who then did so much for Federation, is taking the contrary course on this occasion.

Senator KEATING.—Western Australia is the one State that has not played the Federal game.

Senator DE LARGIE.—I do not know of any respect in which Western Australia has deceived the other States, or has made any promises that have not been carried out. I now wish to read an extract from a speech made by a gentleman who, from his public position, undoubtedly represented Victoria in respect of Federation. He was one of the three gentlemen who went to England to assist in getting the Commonwealth Bill put through the Imperial Parliament. Mr. Alfred Deakin is the Victorian statesman to whom I refer. On his return from the old country, he was met by a deputation at Albany, and he addressed them in the following terms:—

He had thought special concessions were necessary before Western Australia could join the Federation.

Senator WALKER.—It was Mr. Deakin who suggested the difference with regard to Customs duties for five years for the benefit of Western Australia.

Senator DE LARGIE.—Every one who had any knowledge of public affairs knew perfectly well that unless Western Australia received some financial consideration in that respect she could not join the Federation. And after all, it was only money of her own that she wished to retain for a certain period. Mr. Deakin proceeded—

and special provision had been made to meet her case. If the delegates from Western Australia had put forward at the Convention any other special terms they would have been granted.

In other words, had we insisted upon the transcontinental railway being provided for in the Federal Constitution, it would have been granted.

Senator Sir WILLIAM ZEAL.—I say it would not, and I was one of the members of the Convention.

Senator DE LARGIE.—Mr. Deakin was also a delegate—perhaps the most prominent representative of Victoria in the Convention.

Senator Sir WILLIAM ZEAL.—He spoke for himself.

Senator DE LARGIE.—He spoke also for other gentlemen who were delegates.

Senator Sir WILLIAM ZEAL.—Nonsense!

Senator DE LARGIE.—There is no nonsense about Mr. Deakin's statement that—

if the delegates from Western Australia had put forward at the Convention any other special terms they would have been granted.

Mr. Henry, of Tasmania, was present at Albany on that occasion, and, as showing what he thought of the feeling which prevailed in Tasmania, I may remark that Mr. Henry is reported in the newspaper from which I have taken this report to have said "Hear, hear" to Mr. Deakin's statement.

Senator KEATING.—Did he "hear, hear" the statement that the Commonwealth would build this line of railway?

Senator DE LARGIE.—He applauded the statement that if Western Australia had put forward any other special terms they would have been granted.

Senator Sir WILLIAM ZEAL.—That is a figure of speech.

Senator KEATING.—Mr. Henry is a reasonable man, and he would not look upon this as a reasonable proposal.

Senator DE LARGIE.—Mr. Deakin further said:—

It had been urged as an argument against Federation that the people of the Eastern States wished to exploit Western Australia for their own benefit. There need be no misapprehension on that score. He had had private conversations with the representatives of the various Colonies, and it had been agreed that the affairs of Western Australia would require careful management, and the opinion was expressed that Western Australia practically severed from the other Colonies, would receive the best attention of the Federal Parliament.

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Senator Sir WILLIAM ZEAL.—So it has.

Senator DE LARGIE.—There is not sufficient generosity upon the part of honorable members opposite to grant a pair to Senator Findley, who at the present time is confined to his bed by reason of illness. At the conclusion of the meeting to which I have alluded, Mr. Deakin stated in reply to a question that Western Australia would secure the railway if she joined the Federation.

Senator Sir WILLIAM ZEAL.—Was Mr. Deakin a member of the Commonwealth Government when he made that statement, or did he speak merely as a private individual?

Senator DE LARGIE.—A little while ago we were informed that the public men of South Australia alone were pledged to support the construction of this line. When I show—as I have done—that the most prominent Federalist in Victoria was similarly committed to the undertaking on behalf of this State, Senator Zeal wishes to repudiate it.

Senator Sir WILLIAM ZEAL.—We are not going to follow Mr. Deakin when we do not consider that he is right.

Senator DE LARGIE.—The honorable senator proposes to cast a selfish vote. If this Bill involved the expenditure of £4,000,000 in the construction of a railway to Western Australia, I could understand the opposition which is being offered to it. Mr. Deakin stated—

> Western Australia would secure the railway if she joined the Federation. The question was one of national policy, and, personally, he advocated the construction of that railway at the earliest possible moment. For years that railway probably would not pay—

That fact was clearly recognised from the beginning. Surely if there be any virtue in the word of a public man we should be able to accept Mr. Deakin's statement as an authoritative one. Upon the occasion to which I refer that gentleman was representing Victoria, and indeed the whole of the Commonwealth, inasmuch as he was returning from the old country, which he had visited as a representative of Australia.

Senator KEATING.—He was nothing of the kind. He was never delegated as a Commonwealth representative to speak at Albany. The only authority which he had was to speak in London.

Senator DE LARGIE.—Mr. Deakin is a very cautious gentleman, who is not likely to go out of his way to promise anything which would be very difficult of fulfilment.

Senator Sir WILLIAM ZEAL.—Then why did the honorable member's party turn him out of office?

Senator DE LARGIE.—Senator Zeal is perfectly aware that the Labour Party did not turn him out of office. Mr. Deakin continued—

> For years probably that railway would not pay, but he believed the State of Western Australia would be connected by rail with the other States just as the State of British Columbia had been connected with the other States of Canada.

Senator KEATING.—Did the Dominion Government build the railway to British Columbia?

Senator DE LARGIE.—We are not debating the question of who should build this line.

Senator KEATING.—Why does not the honorable member find a private company who is willing to construct it?

Senator DE LARGIE.—Some time ago, when the honorable and learned senator was inquiring into the means by which better communication could be secured with Tasmania, he was not particular as to whether his object was achieved by means of State aid or private enterprise.

Senator KEATING.—Before this debate has concluded I shall show how much Western Australia contributes towards that service.

Senator DE LARGIE.—There is no doubt that she does contribute towards it.

Senator KEATING.—How much?

Senator DE LARGIE.—I travelled to Tasmania a few weeks ago, and I quickly ascertained that I was on board a subsidized steamer.

Senator KEATING.—Western Australia contributes only £35 annually to that service.

Senator DE LARGIE.—But we have assisted Tasmania to a much greater extent in other directions.

Senator Sir WILLIAM ZEAL.—The Government of Western Australia has a very frugal mind.

Senator DE LARGIE.—I do not know upon what foundation that statement rests, having in mind the large public works which have been carried out in Western Australia, despite its small population. I think that I am quite within the mark when I say that in no part of the world has 250,000 people incurred such great responsibilities in opening up the interior of the country as have the people of Western Australia. Upon the Coolgardie water scheme alone the sum of £3,000,000 was expended.

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The PRESIDENT.—Does the honorable senator think that that fact has any relevance to the Bill which is under discussion?

Senator DE LARGIE.—I claim that the people of Western Australia have shown their faith in the resources of that State. If we do not continue to develop our territory we might as well hand it over to the aborigines. If we are to leave that untouched we shall be of very little more use in the country than the race which we have dispossessed. If Australia is to be developed it can only be done by the co-operation of the whole of the people in works of this kind. It is quite unreasonable to expect a small population of 250,000 to undertake a gigantic national work of this kind. If the spirit which has been displayed by some honorable senators to-night is to be the spirit in which Federal matters generally will be dealt with, our legislation will not do us credit. What has become of the Federal spirit and the higher political plane of which we heard so much when Federation was being advocated? I make bold to say that the representatives of Western Australia have exhibited no narrow provincial spirit in the votes which they have cast in this Chamber. I admit the charge made with respect to the special Tariff of Western Australia, but the financial exigencies of the State at the time of Federation made it absolutely necessary that we should have some such guarantee that we should be able to carry on. That special Tariff is practically a thing of the past now, and when all is said and done it cannot be contended that the people of the other States have suffered from it in any way. Its effect has been merely the taking of money out of one pocket and putting it into another in Western Australia. But though the other States have not suffered from the Western Australian Tariff, there can be no doubt that that State has provided a great market for their products. The best market Tasmania has to-day is Western Australia, and Senator Keating will not be acting in the best interest of the State which he represents if he takes any action calculated to arouse a feeling of jealousy between the people of Western Australia and Tasmania. It should not be forgotten that the game which some honorable senators are disposed to play on this occasion is one at which two can play. If this narrow selfish spirit is exhibited, Western Australia may also require to put it into practice in order to secure justice.

Senator KEATING.—The honorable senator should bear in mind that the other States have never asked from Western Australia what that State is now asking from them.

Senator DE LARGIE.—Tasmania has asked us to subsidize cable lines to that State, and we are doing so at the present time in connexion with steam-ships.

Senator KEATING.—Nothing of the kind.

Senator DE LARGIE.—The figures which have been quoted prove what I say. In Western Australia we are spending £20,000 a year extra on sugar duties, in order to subsidize the sugar industry of Queensland. Western Australia would not need to spend that money if she had remained without the Federation. If we had remained out we could have kept our money to ourselves, and we might, within a reasonable time, have been able to build this railway.

Senator KEATING.—The finances of Western Australia are better under Federation than they ever were before.

Senator DE LARGIE.—Nothing of the kind; our revenue is decreasing every year.

Senator KEATING.—Of course, that is under the sliding Tariff.

Senator DE LARGIE.—Whatever increase of revenue we have secured has been due to a period of prosperity, which in the Commonwealth has been confined to Western Australia, and it has not been due to Federal legislation. Western Australian representatives have shown that they are prepared to treat the other States in a generous spirit, and it is in extremely bad taste that representatives of other States should exhibit such intolerable opposition to this measure involving the expenditure of the paltry sum of £20,000. Pairs have been refused to honorable senators who are unable to be present, and we could expect no more strenuous opposition if the Senate were now being asked to vote the money required for the construction of the railway.

Senator GIVENS. — Does the honorable senator wish to have the matter of pairs for sick men debated? If he does we can oblige him.

The PRESIDENT.—Order. It is not in order to debate the question of pairs.

Senator DE LARGIE.—I do not wish to debate the question, but I can assure honorable senators that, prior to this evening,

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there has actually been touting for votes against this measure.

Senator TURLEY.—I rise to a point of order. I wish to know whether the honorable senator is in order in stating that there has been touting for votes in the Senate in connexion with this measure.

The PRESIDENT.—I do not think that it is a proper statement to make. I ask Senator de Largie to confine his remarks to the second reading of the Bill.

Senator DE LARGIE.—I withdraw the statement to which exception has been taken. It would never have been made had it not been for the taunt uttered by Senator Givens. If the question before the Senate involved the expenditure of some millions of money for the construction of this railway, I could understand the opposition which has been exhibited, but such opposition to a paltry vote of £20,000 to secure information is very unfair. Many representatives of the other States know very little about Western Australia, and States at a great distance from the Seat of Government will always be under considerable disabilities in this respect. I ask honorable senators not to allow their minds to be prejudiced by a press which has shown itself unfair to distant States in connexion with most matters. I can assure the Senate that this is not the only time that this Bill will come before them if it is not passed on this occasion. If Western Australia is to remain a part of the Federation, and is to gain any tangible benefit from it, it must be connected with the eastern States by rail. I defy any one to say that Western Australia can hope to derive the slightest benefit from Federation in any other way. Without this railway Federation, so far as Western Australia is concerned, must continue to be a farce.

Motion (by Senator HENDERSON) proposed—

That the debate be now adjourned.

Question put, and division called for.

Several HONORABLE SENATORS.—Withdraw.

Senator HENDERSON (Western Australia).—By leave, I will withdraw my call for a division.

Senator Lt.-Col. NEILD (New South Wales).—I object.

The PRESIDENT.—As objection is taken, the division must proceed.

Senator Sir JOSIAH SYMON.—Under the circumstances, I must vote with the "ayes."

The Senate divided—

Ayes	16
Noes	12
Majority	4

AYES.

Baker, Sir R. C.	Pearce, G. F.
Clemons, J. S.	Pulsford, E.
Dawson, A.	Smith, M. S. C.
de Largie, H.	Story, W. H.
Drake J. G.	Symon, Sir J. H.
Henderson, G.	Walker, J. T.
Keating, J. H.	
McGregor, G.	*Teller:*
Neild, J. C.	Croft, J. W.

NOES.

Best, R. W.	Styles, J.
Dobson, H.	Trenwith, W. A.
Fraser, S.	Turley, H.
Givens, T.	Zeal, Sir W. A.
Gould, A. J.	
Higgs, W. G.	*Teller:*
Stewart, J. C.	Mulcahy, E.

Question so resolved in the affirmative.

Motion agreed to; debate adjourned.

Motion (by Senator Sir JOSIAH SYMON) proposed—

That the resumption of the debate be made an Order of the Day for this day.

Senator BEST.—Make the resumption of the debate for half-past four o'clock.

Senator TURLEY (Queensland).—I move—

That the following words be added : "at four o'clock p.m."

We have devoted many hours to the consideration of the Kalgoorlie-Port Augusta Railway Survey Bill, and I think that, before the debate is resumed on the second reading, there is other business which might take precedence. I do not know whether or not the Government are anxious to go on with the measure—to place it in the forefront of the business.

Senator Sir JOSIAH SYMON.—Certainly we are.

The PRESIDENT.—I do not think that the amendment is quite in order. A sessional order fixes the hour of meeting at half-past ten o'clock, unless otherwise ordered; and the Attorney-General has moved that the resumption of the debate be an Order of the Day for this day. I do not think that an amendment can be moved unless it proposes a future date.

Senator BEST.—Half-past four o'clock is a future date.

Senator Sir JOSIAH SYMON.—No, it is not.

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Senator KEATING.—Yes, it is.

The PRESIDENT.—When I am giving a ruling, honorable senators ought to keep order and listen. I was saying that a proper amendment would be to fix the resumption of the debate for a future date.

Senator BEST.—Half-past four o'clock is a future date.

Senator Sir JOSIAH SYMON.—It is not a future date.

Senator BEST.—Yes, it is.

The PRESIDENT.—Honorable senators are not in order in interjecting when I am giving a ruling, and if honorable senators will not obey the Standing Orders, I shall have to name them. There is a standing order which says that honorable senators must maintain silence when a ruling is being given, and I will not be interrupted. I was saying that a proper amendment would be to move that the resumption of the debate be made an order, not for another hour, but for some future day; and if the honorable senator will alter his amendment, and propose, for instance, Friday next, it would be in order.

Senator TURLEY (Queensland).—As my amendment has been ruled out of order, I now move—

That the motion be amended by leaving out the words "this day," with a view to insert in lieu thereof the words "Wednesday next."

This is a matter in which I am very much interested, because of the manner in which the people of the State which I represent are interested in it, but I have not yet had an opportunity to express the opinions which I believe are held by a large majority of them in regard to it. There is other business which the Senate can transact when it meets at a later hour to-day. I desire the postponement of this matter until we can read the report of to-night's debate in *Hansard*, because I wish to fully understand the arguments for and against the proposal. It is only fair that I and other honorable senators who have not made up their minds on the question should be able to read what has been said, so that we may be able to give an intelligent vote, and one which we can afterwards justify to our electors. It is only fair, seeing that those who are in favour of the measure have succeeded in carrying the adjournment of the debate, that honorable senators who are in my position should be given a proper opportunity to fully inform their minds on the subject before dealing with it again.

Senator DAWSON.—Does the honorable senator want further time to think?

Senator TURLEY.—Not on the information contained in the papers which have been placed before me, but it was impossible for me to remain in the chamber during the whole of the discussion, and therefore, I wish to read the *Hansard* report of the speeches in order to acquaint myself with whatever fresh facts and arguments may have been advanced by honorable senators who support the proposal.

Senator DAWSON.—Did not Senator Pearce make the matter perfectly clear?

Senator TURLEY.—I may be mistaken, but I think that I have read very similar remarks in the report of a debate which occurred in another place, and I should like, therefore, to peruse the speech of Senator Pearce in order, by comparing it with that report, to disabuse my mind of what may be a wrong impression.

Senator MULCAHY.—It is very difficult to hear the honorable senator, because of the conversation in the chamber.

The PRESIDENT.—It is very difficult to keep order. I ask honorable senators not to converse in loud tones.

Senator TURLEY.—If the debate is adjourned only until a later hour of the day, I shall not be acquainted with what has been said by the representatives of Western Australia and others in favour of the proposal. I ask honorable senators who were not present during the whole of the time that Senator Pearce was speaking if they are fully seized of his facts and arguments.

Senator KEATING.—Yes.

Senator TURLEY. — Senator Keating was at the time taking voluminous notes at the table, with the object, I suppose, of either supporting or controverting the statements of Senator Pearce, though I do not know which.

The PRESIDENT.—I ask Senator Turley to confine his remarks to the amendment.

Senator TURLEY.—I am endeavouring to give reasons why in my opinion it is absolutely necessary in the interests of the people of the Commonwealth that this debate should be adjourned until Wednesday next. I have moved the amendment, because I wish to have an opportunity to make myself acquainted with arguments and facts that have been advanced during my absence from the Chamber. I have an absolutely open mind, so far as this question is concerned, and I think it is only reasonable that I should be given an opportunity to read in cold print the additional facts

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which have been adduced by Senator Pearce and others in favour of this Bill before I am called upon to cast my vote. I wish to arrive at an unbiased decision. I am sure that the representatives of Western Australia would be the last to argue that for the reason that I have been returned to this Chamber by a State whose people, because of their geographical position, or of ignorance of the true facts, are said to be prejudiced against this proposal, I should give a biased vote. Senator Pearce and others say, "All that we ask is that justice shall be done to Western Australia." I desire an opportunity to calmly and carefully consider the facts in order that I may give an unbiased vote. Surely honorable senators would not deny that right to me? I have not made up my mind upon the question. I have read sundry reports, and it is because of the possibility of a bias that may have been created in my mind by a perusal of those reports, as well as of the articles which have appeared from time to time in the *Age* and the *Argus*, that I wish a further opportunity to consider the new points which have been raised. I may be unconsciously biased on this question. It has been suggested that I am, because of the articles which have been published in the *Age* and the *Argus*. If that be so, there is no reason why I should not be given an opportunity to clear myself of anything of the kind. I am surprised at the hilarity displayed by honorable senators. I am considering this position in all seriousness. I think that in this matter I may fairly claim the support of honorable senators from Western Australia, and I trust that the Senate will agree to the amendment.

Senator BEST (Victoria).—I second the amendment, in order to enable me to address a few remarks to the Senate. I admit the very great difficulty under which you, sir, labour in being called upon to summarily dispose of a number of points of order.

The PRESIDENT.—There is a motion and an amendment, but no point of order, before the Chair.

Senator BEST.—It will suit my purpose equally well if the matter before the Chair be called an amendment, instead of a point of order. I desire to express my sympathy with you, sir, in the position in which you are placed at this hour of the morning, after an adjournment has been repeatedly refused by the Attorney-General.

Senator Sir JOSIAH SYMON.—That is not a fact.

Senator BEST.—Senator after senator repeatedly requested the Attorney-General to consent to an adjournment, and he persistently refused. I have missed all my trains, and I am out for the night, with the object of finishing the business now in hand. It has been proposed that the debate should be adjourned until Wednesday next. I am largely sympathetic with the honorable senator who has moved the amendment; but, at the same time, I do not desire to unduly oppose the wish of the Government. It has been publicly intimated that they desire that Parliament should be prorogued at four o'clock to-day and I, for one, am anxious to assist them to achieve that object. The original amendment was that the debate should be adjourned until four o'clock to-day, and with all due deference to you, sir, I do not agree with your interpretation of the standing order.

The PRESIDENT.—Perhaps it will save discussion if I admit at once that I made a mistake. The standing order provides for something to be done at the next sitting, and I overlooked the fact that the next sitting will be held to-day; but, still, Senator Turley accepted the position. He said that he wished the debate to be adjourned until Wednesday next, and not until a later hour to-day.

Senator BEST.—I am very grateful to you, sir, for the statement which you have just made, because standing order 419 says—

> A debate may be adjourned either to a later hour of the same day or to any other day.

If you, sir, will now accept the original amendment, my purpose will have been completely served.

The PRESIDENT.—Senator Turley has moved an amendment which the honorable and learned senator has seconded.

Senator BEST.—I would appeal to Senator Turley to ask leave to alter his amendment to its original form, and if leave is granted I desire to speak to that question.

Amendment, by leave, withdrawn.

Senator TURLEY (Queensland).—I move—

> That the following words be added "at four o'clock p.m."

At the same time I must admit——

Senator Lt.-Col. GOULD.—On a point of order, sir, I submit that the honorable senator cannot speak twice to the amendment.

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The PRESIDENT. — The honorable senator, I think, ought not to speak under the circumstances.

Senator Turley.—In my speech, sir, I gave arguments why the debate should be adjourned until Wednesday next, and now I wish to say why I think it ought to be adjourned until four o'clock this afternoon.

The PRESIDENT.—I did not realize what the day was when I gave my ruling. I was wrong in preventing the honorable senator from moving his original amendment. He has obtained leave to withdraw the amendment he moved, and to move the one he wished to propose. In these circumstances I do not think that he ought to speak again.

Senator Sir Josiah Symon.—I wish to suggest for your consideration, sir, that the honorable senator will be perfectly in order in making a speech if he chooses on his fresh amendment.

The PRESIDENT.—I did not rule that Senator Turley could not speak again. What I said was that I thought he ought not to do so in the circumstances.

Senator TURLEY.—I know that we are approaching the end of the session, and that is the reason why I fell in with the idea that we should adjourn this debate until a later hour to-day.

Senator Styles.—I beg to second the amendment.

Senator GIVENS (Queensland).—I am pledged to see that the Western Australia senators, who are peculiarly interested in this matter, have an opportunity to take a vote upon it. Senator Turley has moved that the debate be resumed at 4 o'clock this afternoon. I understand that it is the intention of the Government to prorogue Parliament at that hour. Therefore, if I supported his proposal, I should be false to the pledges which I have given. I have pledged myself to assist the representatives of Western Australia in obtaining a division upon this Bill before the prorogation. I am sincerely desirous of redeeming my promise, and for that reason I cannot conscientiously support the amendment of Senator Turley.

Senator Mulcahy.—Why does not the honorable senator submit an amendment that the debate be resumed at noon to-day?

Senator GIVENS.—I shall not allow Senator Mulcahy to dictate what I shall do. I am here to express my own views, and I am quite capable of doing so. If the representatives of Western Australia choose to name any particular hour at which they desire the discussion to be resumed——

Senator Staniforth Smith.—Say half-past ten o'clock to-day.

Senator GIVENS.—That is the motion of the Attorney-General, who denied us the opportunity of adjourning at the usual hour last evening. I resent his action in that connexion. Upon a previous occasion I was deceived regarding the conduct of public business in this Chamber. The greatest idiot in the country can deceive me once, but it would take a very smart man to deceive me a second time. I am prepared to give the representatives of Western Australia and South Australia, who are specially interested in this Bill, an opportunity of obtaining the decision of the Senate upon it before the prorogation.

Senator Sir Josiah Symon.—If the honorable senator will move to fix the resumption of the debate for noon to-day I shall agree to his proposal.

Senator GIVENS.—I am quite prepared to do as the Attorney-General suggests. Therefore, I move, as an amendment of the amendment—

That the words "at four o'clock p.m.," be left out with a view to insert in lieu thereof the words "at twelve o'clock noon."

Senator MULCAHY (Tasmania).—For some little time I have been anxious to say a few words with a view to bringing honorable senators back to a proper recognition of business considerations.

Senator Turley.—I rise to a point of order. Senator Mulcahy has stated that he wishes to bring the Senate back to a proper appreciation of business considerations. I submit that business has been properly conducted, otherwise you, sir, would have intervened.

The PRESIDENT.—The Senate has undoubtedly been disorderly. Many interruptions have occurred which should not have taken place, and I understand that Senator Mulcahy refers to them.

Senator MULCAHY.—A proposal was made that the debate should be adjourned until 4 o'clock this afternoon, and as it is well-known that the Ministry proposed that the prorogation should take place at that hour, it is clear that the intention was to prevent any further discussion of the Bill. No one is more strongly opposed to this measure than I am, but I shall take part in no unfair tactics to defeat it. If any such tactics are adopted I shall refrain from exercising my vote. A proposal has since

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been made that the debate should be adjourned until noon, and in this matter I place myself in the hands of honorable senators representing Western Australia and other honorable senators supporting the measure, who have a serious resposibility resting upon them, and are deserving of every consideration. If they assure me that they think it will be an advantage to them to secure an adjournment to that hour I shall be prepared to vote with them; but, as in my opinion the result will eventually be the same, I should very much prefer that the matter should be dealt with at once.

Senator STYLES (Victoria).—I desire to move a further amendment.

The PRESIDENT.—I do not think that the honorable senator can do so at this stage. There is already before the Senate an amendment and an amendment on that amendment. I think we should get rid of the last amendment submitted before another is moved.

Senator STYLES.—An adjournment until noon would hardly suit me, as I should not have time to go home and return again. I wish to contradict the statement of the Attorney-General that he did not refuse an adjournment of the debate. During my speech on the second reading of the Bill, I asked the honorable and learned senator twice to agree to an adjournment of the debate, and he positively refused. The honorable and learned senator has since denied that he did anything of the kind.

Senator Sir JOSIAH SYMON.—I denied the statement made by Senator Best that I had persistently refused the request made by several honorable senators to adjourn the debate.

Senator STYLES.—The Attorney-General, after keeping us here all this time, now desires that we should meet again at 10.30 a.m.

The PRESIDENT. — The Attorney-General said nothing about 10.30 a.m. The honorable senator will see that what the Attorney-General did was to suggest that the resumption of the debate should be made an order of the day for this day, when, under the sessional order, the Senate would meet at 10.30 a.m.

Senator STYLES.—I submit that in view of the sessional order, it is clear that the Attorney-General wished that the debate should be resumed at 10.30 a.m. In substance I was correct. The hour fixed is too soon, and I wish to move an amendment.

The PRESIDENT.—The honorable senator cannot move an amendment now. We have a motion and an amendment, and an amendment on the amendment. Until we get rid of one of those proposals we cannot deal with another. The amendment is that we meet at 4 o'clock, and a further amendment is that we meet at 12 o'clock.

Senator STYLES.—Then I strongly object to meeting again at noon, and would prefer adjourning until 3 or 4 o'clock p.m. I should like to take this opportunity to make a personal explanation. When I was speaking on the second reading, Senator Pearce, in what I thought was rather an offensive manner for him, questioned my statements in regard to the railway rates in Western Australia, and insinuated that I had concocted or invented the figures. However, I happen to have here with me the book which contains the Western Australian railway rates for passengers, goods, and so forth, for the year 1902. This is an official publication.

The PRESIDENT.—The honorable senator must not discuss that matter. The question before us is at what hour the Senate shall meet.

Senator STYLES.—I am merely asking permission to put myself right, because I felt rather sore at the time at the remarks of Senator Pearce.

The PRESIDENT.—The honorable senator would be more in order if he confined himself to the question at issue. The honorable senator has already asked leave to be a little irregular, and no exception has been taken, but I do not think he ought to go out of his way to discuss the whole book to which he has referred.

Senator STYLES.—I do not propose to read the whole book, but only a few items.

The PRESIDENT.—The honorable senator has already done that.

Senator STYLES.—But I am challenged —exception has been taken to my word.

Senator MULCAHY.—The honorable senator cannot refer to that matter; he ought to deal with the question before the Chair.

Senator STYLES.—I am asking the indulgence of the Chair to put myself right.

The PRESIDENT.—Is it not sufficient for the honorable senator to say that he produces the book, which shows that his figures are correct?

Senator PEARCE.—I suppose I shall have a right of reply?

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The PRESIDENT.—If Senator Styles proceeds, I cannot stop Senator Pearce making another speech.

Senator STYLES.—If Senator Pearce will say that I was quite correct in the figures I gave, I shall be quite satisfied. I am not accustomed to have my word doubted in matters of the sort.

Senator PEARCE.—I asked for the name of the book to which the honorable senator referred, and I was told to look in his drawer for it.

Senator STYLES.—Here is the book to which I referred.

The PRESIDENT.—I must ask Senator Styles not to refer to the matter further.

Senator STYLES.—If Senator Pearce withdraws his insinuations, I shall be quite satisfied, but not otherwise.

The PRESIDENT.—Senator Styles cannot now ask Senator Pearce to withdraw.

Senator PEARCE.—I should like to know what the "insinuation" was.

Senator STYLES.—The insinuation was that I had concocted the figures.

Senator PEARCE.—I merely asked for the name of the book.

The PRESIDENT.—I hope that Senator Styles will drop the subject.

Senator STYLES.—I understand that Senator Pearce withdraws his insinuation.

Senator PEARCE.—I made no insinuation, and, therefore, I have no insinuation to withdraw.

Senator STYLES.—I thought the honorable senator had withdrawn, or I should have liked to reply in a way the honorable senator would not like.

Senator BEST (Victoria).—The question before the Chair is practically whether we shall adjourn until 12 o'clock noon, or until 4 o'clock p.m. I listened with great interest to the speeches by the Attorney-General and Senator Styles on the second reading. The speech of the Attorney-General was very interesting, so far as it went, and I listened with a great deal of interest to the reply of Senator Styles, and to the able and earnest remarks of Senator Pearce. The case for this survey has been, if I may say so, laid before this Chamber by the Attorney-General and by Senator Pearce in a most ample form, and has been replied to by Senator Styles. Those speeches, and others made by honorable senators, have been so complete that we are practically in possession of all the information available on the subject. I may be forgiven for not personally referring to other honorable senators, but I must say that Senator Zeal made some most pertinent remarks, and, altogether, I may say, as one who has not spoken on the main issue, that we are now qualified to give a decision.

Senator STANIFORTH SMITH. — Senator Turley says we are not.

Senator BEST. — Senator Turley may speak for himself. Personally, I think that if we were to meet at 4 o'clock p.m. we should be able to come to a decision. I am perfectly prepared to decide at the present moment; but the Attorney-General, and others who have supported him, are still thirsting for information. The Attorney-General thinks that it is necessary we should meet at half-past 10 o'clock this morning, for the purpose of further debating the question. I do not think, however, that that idea meets with the approval of honorable senators.

Senator Sir JOSIAH SYMON. — Yes, it does.

Senator BEST.—On further reflection, I do not think that the suggestion meets with the approval of even the Attorney-General himself, because he has suggested that 12 o'clock noon would be a more convenient hour.

Senator Sir JOSIAH SYMON.—The honorable senator is not accurate in saying that I suggested it.

Senator BEST.—Then the honorable senator accepted it.

Senator Sir JOSIAH SYMON.—As a fair compromise, to meet the convenience of honorable senators.

Senator BEST.—While we were glad to hear the able and earnest speeches of the representatives of Western Australia in support of the Bill, I ask them whether they should not pay attention to the protests of the representatives of other States, who think that the time has not yet arrived for carrying out this work. To my mind, it is unfair and ungenerous to suggest that the representatives of other States are not acting properly in this matter.

Senator KEATING.—I submit that the honorable senator must confine his remarks to the question of the hour at which the debate shall be resumed.

The PRESIDENT.—Undoubtedly. I was not following his remarks very carefully, but I understood him to be advancing arguments in support of the resumption of the debate at 4 o'clock p.m.

Senator FRASER.—For goodness' sake let us be sensible, and adjourn.

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Senator BEST.—Why did not the honorable senator say that before midnight?

Senator FRASER.—I would have been ready to adjourn then.

Senator BEST.—If the Attorney-General had agreed to the adjournment then, this more or less unseemly discussion would not have taken place.

Senator Sir JOSIAH SYMON.—I am glad that the honorable senator recognises that it is unseemly.

Senator BEST.—Having regard to all the circumstances of the case, 4 o'clock p.m. would be a reasonable hour to fix for the resumption of the debate. If, by an extraordinary coincidence, the prorogation should take place at that time, honorable senators who are so anxious to have the discussion brought to an end will receive our sympathy. Parliament has been in session now for nearly ten months, and the Government, if they were earnest in their desire to get the Bill passed, should have introduced it earlier, so as to allow for its fuller debate. I confess that I feel aggrieved that we should have been kept here until this hour of the morning, and I do not feel that I should be justified in further protracting the sitting. In the circumstances, I think that 4 p.m. to-day would be a reasonable hour to fix for the resumption of the debate.

Senator McGREGOR (South Australia).—I admire Senator Best and others who, after occupying the time of the Senate at considerable length in discussing the question of the adjournment, express sympathy for you, Mr. President, as well as for others who have been compelled to remain in the Chamber so long. I suppose they think that because they have expressed their views on this question nothing further remains to be said. I have listened with very great patience to the Queensland tornados, the Tasmanian blizzards, and the never-ending talkers from Victoria, and yet I am not satisfied. When these honorable senators calmly consider the position, I think they will come to the conclusion that they have not dealt fairly with their fellow senators. Honorable senators do not seem to be quite themselves this morning, and I should like them to calm their ruffled feelings. We have discussed both the main question and that of the adjournment at considerable length, and I wish to advance some excuse for the request which was made by those who support the Bill, that the debate should be adjourned. Senator Turley has discussed the main question.

Senator TURLEY.—I deny that.

Senator McGREGOR.—The honorable senator spoke of a bias that might be removed, and dealt with the question at considerable length. I have no desire to prolong the debate, but I think the Senate should freely understand why the request was made for the adjournment of the debate. You, Mr. President, have deprecated any reference to pairs, but I would point out that two honorable senators are unavoidably absent. Pairs were absolutely refused them. This is not a party question, but one that ought to be calmly considered. We should be prepared to extend every consideration to each other, and all that the supporters of the Bill ask is that its fate shall be determined by a legitimate vote of the Senate. The representatives of Western Australia, who are personally interested in this question——

Senator BEST.—Not personally interested.

Senator McGREGOR.—They are personally interested in so far as they are representatives of the State which is principally concerned. Finding that they could not obtain the full and deliberate sense of the Senate on the question at this early hour, they thought that it would be best to allow the debate to be adjourned. The Attorney-General was gracious enough to accept their proposal, and it was agreed to. He then moved that the debate should be resumed at the next sitting, which meant that it would be further considered at 10.30 this morning. In these circumstances, why should any honorable senator suggest that 4 o'clock would be the proper hour for the resumption of the debate when, notwithstanding the protestations which may be made, we all know that the prorogation of the Parliament is fixed for that hour? Those who make such a proposal are surely not treating their fellow senators fairly.

Senator BEST.—Would three or four hours make any difference?

Senator McGREGOR.—Those who favour such a proposition ought to be ashamed of the treatment they are proposing to mete out to honorable senators who are conscientiously endeavouring to do their duty. If they find themselves similarly treated on some future occasion they will have no reason to complain. Under our sessional orders the hour of meeting this morning would be 10.30 o'clock, and any one who wishes to curtail the time at our disposal by even five minutes is proposing to act unjustly.

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Senator Givens.—The time of the Senate has often been reduced by weeks during the present session.

Senator McGREGOR.—If the honorable senator had not been so excited, the probability is that he would not have been so persistent. I ask honorable senators who proposed that the debate shall be resumed this afternoon instead of this morning to consider that they are not acting fairly by endeavouring to deprive others, who are seeking to do their duty, of the time legitimately at their disposal.

Senator Givens.—I am prepared to withdraw my motion, and to vote for the resumption of the debate at 10.30 a.m. Will that satisfy the honorable senator?

Senator McGREGOR.—Yes, because that is right. I strongly object to any endeavour to take away from those who are seeking to do their duty, the opportunity to discharge their responsibilities to those whom they represent. The representatives of Western Australia are actuated by an honest desire to do full justice to this question, and I trust that honorable senators will act as gentlemen, and avoid giving them the slightest cause for dissatisfaction or resentment

Senator TURLEY (Queensland).—Mr. President——

The PRESIDENT.—The honorable senator has already spoken.

Senator Turley.—I submit that I have not yet spoken to the amendment upon the amendment moved by myself.

The PRESIDENT.—That raises an important point. There was a motion upon which the honorable senator moved an amendment. Therefore, he must be considered to have spoken both to the motion and the amendment. A further amendment has been moved, and the question arises whether the honorable senator ought to be permitted to speak again. I do not know that there is any rule on the subject, and at this late hour I do not think that it is fair to ask me to give a ruling of which I am not in a position to fairly consider the result. The honorable senator has spoken a great many times, and although I do not go the length of saying that he has not the right to speak, I do not think that he should again address the Senate.

Senator Sir Josiah Symon.—I would ask your ruling, Mr. President.

The PRESIDENT.—There is a standing order to the effect that an honorable member may speak once upon every question before the Chair. That is the original question only. Senator Turley has spoken to the original question, and also upon the amendment moved by himself. As he did not move the original motion, he is not entitled to reply, and, therefore, so far as the standing order is concerned, he is not entitled to speak again. That standing order is not, however, complete. I communicated with the parliamentary authorities in Sydney, where this standing order is in force, inquiring what the practice was. I received a reply, and announced to the Senate that I intended to adopt the New South Wales practice; but the supplementary procedure for which provision was made did not cover the point now raised, namely, whether an honorable senator, having moved an amendment, can speak again upon a further amendment on an amendment.

Senator Turley.—I desire, sir, to know whether you rule that I cannot be permitted to speak to the further amendment on the motion submitted by the Attorney-General.

Senator Sir Josiah Symon.—This may be a convenient opportunity for having the whole of these matters put in order. I venture to submit that the honorable senator's amendment must be regarded as a substantive motion.

The PRESIDENT.—There is a standing order upon that point.

Senator Sir Josiah Symon.—Yes; the standing order upon which I am basing my point is No. 419, which reads—

A debate may be adjourned either to a later hour of the same day or to any other day.

The PRESIDENT. — Standing order 141 provides—

Amendments may be proposed to a proposed amendment as if such proposed amendment were an original question.

That course has been followed, and the question is whether Senator Turley can speak after that has been done.

Senator Sir Josiah Symon.—I submit that the amendment, in form, moved by Senator Turley is not an amendment upon my motion that the adjourned debate should be made an Order of the Day for the next day of sitting. My motion was moved under standing order 419, under which a debate may be adjourned either to a later hour of the same day, or to any other day.

The PRESIDENT.—The honorable senator moved that the adjourned debate be an Order of the Day for Thursday.

Senator Sir Josiah Symon.—That was the next parliamentary sitting-day.

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The PRESIDENT.—The honorable senator did not say anything about the next sitting-day.

Senator Sir JOSIAH SYMON.—But the next sitting-day is Thursday.

The PRESIDENT.—That is to-day.

Senator Sir JOSIAH SYMON.—My motion referred to the parliamentary day, which begins at half-past ten o'clock. I venture to say that my honorable friend's amendment cannot be an amendment to that motion. It really ought to be moved on the subsequent motion I shall have to propose, namely, that the Senate do now adjourn.

The PRESIDENT.—No.

Senator Sir JOSIAH SYMON.—When the debate was adjourned, sir, you, according to the practice, asked me "to what day," and I said "to the next sitting day," which you took for Thursday. Then the amendment was moved, but it must be to adjourn the debate to another day.

Senator BEST.—To a later hour of the same day.

Senator Sir JOSIAH SYMON.—My honorable friend is mistaken. Standing order 419 says—

A debate may be adjourned to a later hour of the same day.

That is not what has been done. That phrase means that a debate can be adjourned to a later hour of the same parliamentary day, as was done the other day on my motion. My motion is to adjourn the debate, not to a later hour of this sitting, but to a certain hour of the next sitting, that is to the parliamentary Thursday. It is indifferent to me, sir, how the question is put, but I venture to submit that, on a motion to adjourn the debate from one sitting day to another sitting day, an amendment cannot be moved to sit at a later hour on Thursday.

Senator BEST.—Is this a point of order, sir?

The PRESIDENT. — The Attorney-General is taking a point of order which seems to me somewhat technical. One of the objections to ruling in the manner he suggests is that an amendment has been moved and debated, and it is too late now to rule it out of order. It is a little difficult, no doubt, to construe standing order 419. If the Attorney-General is right in his contention, then I was right in my first contention, when I prevented Senator Turley from moving the amendment with which he started.

Senator Sir JOSIAH SYMON.—I have no objection to it being put either way, sir.

The PRESIDENT. — I rule that the amendment is in order, and come back to the original problem whether Senator Turley can speak again. I am afraid that I have to rule that he can speak, but I would ask him not to exercise his right in the circumstances.

Senator TURLEY (Queensland). — I hope, sir, that you are not afraid that I am going to speak again. I do not know that your remark is not to some extent a reflection upon me, because I never speak unless I feel that I can make a contribution to the debate, or suggest a reason why a certain thing should be done. I wish to controvert the statement of Senator McGregor, that when the representatives of Western Australia are able to get an honest or legitimate vote on this question, they are blocked. That is a reflection on every member of the Senate who is not prepared to vote in the same direction as those honorable senators. The only inference which can be drawn from the remark is that I am not prepared to give an honest or legitimate vote on the question. It seems to me that on this occasion Senator McGregor is taking up a partisan view. I gathered from the discussion that no party issue is involved. I understand that Senator Givens objected to my amendment, because he said that he had given a promise to the representatives of Western Australia. If there is one thing which should be respected by a public man, it is a promise which he has made, either publicly or privately. The honorable senator has a right to stick to his promise. Because he comes from the same State as I do, and has given that promise, does it mean that he expects to bind me?

Senator GIVENS.—No.

Senator TURLEY.—That is the position which was taken up by Senator McGregor, and to which I object. I deny the right of Senator Givens, because he has happened to make a promise, to bind the other senators who come from his State. I only desire to get a fair deal on this question.

Senator Sir WILLIAM ZEAL.—Let us adjourn until 2 o'clock.

Senator TURLEY.—I am prepared to adjourn the debate until, practically, any time.

Senator Sir JOSIAH SYMON.—If the honorable senator will withdraw his amendment, I shall move that the resumption of the debate be an order of the day for 2 o'clock to-day.

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Senator TURLEY.—In the first place, the Attorney-General objected to my speaking at all, and now he asks me to withdraw my amendment. If Senator Givens will signify his intention to withdraw his amendment, and to allow the Attorney-General to move for the resumption of the debate at 2 o'clock to-day, I shall be prepared to withdraw my amendment to the motion. But unless Senator Givens signifies while I am on my feet his intention to withdraw his amendment, I shall forfeit my right to speak on the question.

Senator GIVENS.—I am not prepared to withdraw my amendment unless that is the wish of the Western Australian senators.

Senator TURLEY.—Are the Western Australian senators prepared to agree to Senator Givens withdrawing his amendment?

Senator STANIFORTH SMITH.—No; we wish to meet at half-past ten o'clock a.m.

Senator TURLEY.—Senator McGregor has said that honorable senators have been getting excited over this matter. I take exception to that remark. I have not been excited nor has there been any reason for excitement. I agree that there should be cool and calm consideration of the question. Senator McGregor also made a statement, which is a reflection upon other members of the Senate, that certain honorable senators ought to be ashamed of themselves. Why? What have they done in the opinion of the honorable senator that they should be ashamed of themselves? Am I not acting within the Standing Orders? Do I not believe that I am acting in the interests of people whom I have been elected to represent? I do not know why Senator McGregor is allowed to rise in his place and say that I and other honorable senators, because they do not happen to agree with his opinions, ought to be ashamed of themselves. If that view were to be generally adopted there would be no diversity of opinion in the Senate. I am astounded at the attempt of the honorable senator who occupies the position of leader of the Labour Party in the Senate to turn round not on honorable senators opposite, but on the members of his own party, and to say that, in his opinion, they should be absolutely ashamed, because they believe they are taking a right course of action upon this question.

Senator McGREGOR.—That is distinctly unfair.

Senator TURLEY.—I agree with the honorable senator that his own remarks were unfair. I do not think that he has any right, either under the Standing Orders or in accordance with the courtesy that should be extended by one senator to another, to say that other senators should be ashamed of themselves. Not satisfied with making that statement, Senator McGregor hurls threats around the Chamber. If there is one thing to which I object more than another in a deliberative body, it is the making of threats. In the first place, it is a species of intimidation. I ask Senators Gould and Fraser whether they are in favour of a system of intimidation? Is the Attorney-General—who is the very embodiment of courtesy, and who possesses that indefinable quality which enables him to secure the good-will even of honorable senators who differ from him——

The PRESIDENT.—I must call the honorable senator's attention to the fact that he is not discussing the amendment.

Senator TURLEY.—I merely mentioned the Attorney-General by way of illustration. He is the very embodiment of courtesy——

The PRESIDENT.—I must really ask the honorable senator to conform to my ruling. He is only entitled to discuss the amendment upon his amendment, and he is now debating the qualities of the Attorney-General.

Senator TURLEY.—I understood that it was permissible to refer to the Attorney-General by way of illustration. If the honorable and learned gentleman is not a fit subject to be referred to in that way——

The PRESIDENT.—I must again call attention to the standing order relating to tedious repetition. I ask the honorable senator to comply with standing order 419.

Senator TURLEY.—I am endeavouring to do so. But when Senator McGregor or any other member of this Chamber makes a statement, I claim that I should have the right of replying to it. I took down the words used by Senator McGregor——

The PRESIDENT.—I would call the honorable senator's attention to the fact that he is repeating several times every argument which he adduces. We have a standing order which is intended to prevent that sort of thing.

Senator TURLEY.—I do not desire to repeat my arguments. If I am denied the right of replying to Senator McGregor——

The PRESIDENT.—The honorable senator has not been denied that right; but he has repeated the same statement four or five times almost in identical words.

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Senator TURLEY.—I merely desire to quote the words which were used by Senator McGregor.

The PRESIDENT.—Why do so four times over?

Senator TURLEY.—Senator McGregor also declared that the representatives of Western Australia thought it wise to adjourn the debate in order that a division might be taken in a full Senate. I claim that we should be better able to obtain such a vote if we met at four o'clock this afternoon than if we met at half-past ten o'clock this morning. Senator McGregor also referred to the refusal of certain honorable senators to "pair" with others.

The PRESIDENT.—I must ask the honorable senator not to discuss that matter.

Senator TURLEY.—That statement was permitted to be made——

The PRESIDENT.—I rule that the honorable senator cannot discuss it. He must confine his remarks to the amendment upon his amendment.

Senator TURLEY.—If I cannot refer to that subject it is strange that Senator McGregor should have been allowed to make a charge of this kind against other honorable senators. I have never given a pair whilst I have been a member of the Senate.

The PRESIDENT.—The honorable senator must not discuss that question.

Senator TURLEY.—I do not intend to discuss it, but I submit that Senator McGregor should have been prevented from making a charge which other honorable senators are not allowed to reply to.

Senator STANIFORTH SMITH (Western Australia).—Naturally the representatives of Western Australia have been exceedingly anxious that this question should be submitted to a vote. We found that, as the result of some very able whipping, certain honorable senators were paired, and when we came to ask for pairs for two supporters of the Bill we were refused them.

The PRESIDENT.—I must ask the honorable senator not to discuss the question of pairs.

Senator STANIFORTH SMITH.—I shall refer to the matter on the motion for adjournment.

Senator Sir JOSIAH SYMON.—As we shall have other business to transact, if, for example, the Sea Carriage of Goods Bill should come before the Senate again, I wish to intimate that I shall be prepared to move the adjournment of the Senate until 12 noon. If my honorable friends who have moved amendments on my motion will withdraw them I shall be prepared to move that this debate be resumed at 2 p.m., as that appears to be the general desire. As several honorable senators have recognised that it is only fair and just that an opportunity shall be given to take a vote on this question, I am justified in hoping that that opportunity will be afforded.

Senator TURLEY.—Senator Givens only spoke for himself in the matter.

Senator GIVENS.—I did not pretend to speak for any one else.

Senator Sir JOSIAH SYMON.—Honorable senators representing Western Australia are deeply interested in this matter. They have shown an anxious desire to give all possible information to the Senate, and I think it would be magnanimous of the Senate to give an opportunity for a division on the second reading of the Bill, whatever may eventuate from that. If my honorable friends will formally withdraw their amendments I shall move as I have indicated.

Senator GIVENS (Queensland).—I have already intimated my willingness, if it is the desire of honorable senators representing Western Australia, to withdraw my amendment at any time.

Senator PEARCE.—For my part, I think we should leave the responsibility with the honorable senator.

Senator MULCAHY.—That is ungracious.

Senator GIVENS.—I have no reason to complain, nor do I complain, of the attitude assumed by honorable senators representing Western Australia. I have tried to meet their wishes, and I now ask leave to withdraw my amendment in deference to what appears to be the general wish of the Senate.

Amendment of the amendment, by leave, withdrawn.

Senator TURLEY (Queensland).—Some time ago I intimated my willingness to withdraw my amendment, but objection having been taken by Senator Smith, I did not further press for its withdrawal. I now ask the permission of the Senate to withdraw my amendment.

Amendment, by leave, withdrawn.

The PRESIDENT.—I now submit the question that the Attorney-General have leave to amend his motion.

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HONORABLE SENATORS.—Hear, hear.

Motion, by leave, withdrawn.

Motion (by Senator Sir JOSIAH SYMON) agreed to—

That the adjourned debate be an Order of the Day for this day (Thursday), at 2 o'clock p.m.

SPECIAL ADJOURNMENT.

Motion (by Senator Sir JOSIAH SYMON) agreed to—

That the Senate, at its rising, adjourn until 12 noon this day.

ADJOURNMENT.

KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY BILL.

Motion (by Senator Sir JOSIAH SYMON) proposed—

That the Senate do now adjourn.

Senator STANIFORTH SMITH (Western Australia).—I wish to say a few words with regard to the position of honorable senators representing Western Australia in this debate. We are naturally most anxious that the proposal for a survey of the route of the proposed railway from Kalgoorlie to Port Augusta should be voted upon this session. It has been promised since the first sitting day of the first Federal Parliament that this survey would be made. We found that we had a majority of the members of the Senate in favour of the proposal, and at the present moment there is an actual majority of the members of the Senate in favour of passing the Kalgoorlie to Port Augusta Railway Survey Bill. Senator Guthrie who is a supporter of the Bill, is at present in Sydney with the Navigation Commission, on the business of the Commonwealth. Unfortunately, Senator Findley, who is also a supporter of the Bill, is on a sick bed. We endeavoured to secure pairs for those honorable senators, and they were refused.

Senator MULCAHY.—The honorable senator is not doing his cause any good.

Senator STANIFORTH SMITH.—I am stating facts which cannot be denied.

Senator MULCAHY.—The inferences which the honorable senator is drawing are not quite correct.

Senator STANIFORTH SMITH.—We asked every honorable senator who is opposed to the Bill to give a pair for the honorable senators to whom I have referred, and we were refused.

Senator Sir JOSIAH SYMON.—I have intervened very little in the debate, but I must ask whether the honorable senator is in order in discussing the subject of pairs, and in bringing grievances in relation to pairs, before the Senate?

The PRESIDENT.—I do not think that the honorable senator is in order. The Senate knows nothing whatever about pairs or the private arrangements made between honorable senators. They are not in any way recognised by the Senate. The honorable senator is, therefore, not in order.

Senator STANIFORTH SMITH.—I shall not further refer to that matter. I was prepared to agree to the proposed adjournment of the debate to 10.30 a.m., because I felt that we should not allow a vote to be taken when we knew that two of the supporters of the Bill would be unable to take part in the division. The Attorney-General moved that the Senate should adjourn until half-past 10 o'clock, and when an amendment was proposed the honorable and learned gentleman agreed to 12 o'clock, and now is willing that the hour shall be 2 o'clock. The party opposed to the proposed survey have had a great triumph. They have been able to prolong the discussion, and to postpone a decision until such a time as will render it impossible to take a vote on the question this session.

The PRESIDENT.—The honorable senator is debating a question which, I think, has already been debated.

Senator STANIFORTH SMITH. — I think that, on the motion for the adjournment of the Senate, I have a perfect right to make a statement of the kind I am now submitting.

The PRESIDENT.—We have already been occupied a great many hours in debating the question as to the hour to which the Senate should adjourn, and now, it appears to me, we are commencing another discussion on the same question.

Senator STANIFORTH SMITH. — I was ruled out of order when speaking on the question as to the hour to which we should adjourn, and I then said I should take an opportunity, under the Standing Orders, to speak on the motion for the adjournment of the Senate. It is regrettable, from a Western Australian point of view, that, although we had a majority of honorable senators favorable to the proposed survey, affairs have taken such a turn that the question is shelved for the session.

Senator Lt.-Col. GOULD (New South Wales).—In reply to Senator Smith, I should like to say that he is entirely in

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error in assuming that I had any desire to take, or took any steps towards burking a decision on the question.

Senator STANIFORTH SMITH.—I did not say that the honorable and learned senator had taken any such action.

Senator Lt.-Col. GOULD.—I have no sympathy with the burking of any discussion, or the prevention of any vote. It is perfectly fair that senators from Western Australia should desire a division to be taken.

Senator BEST.—Hear, hear!

Senator Lt.-Col. GOULD.—And I am very sorry that the motion for the adjournment of the debate was carried.

Senator TURLEY.—The motion for the adjournment of the debate was carried on the votes of the Western Australian senators.

Senator Lt.-Col. GOULD.—The Senate will have an opportunity to discuss the whole matter next session, and, if they take my advice, they will endeavour to have the subject brought on at an earlier period than has been the case this year. If honorable senators take that advice, I can promise that, although I may vote against the second reading of the Bill, I shall be no party to preventing a vote being taken.

Senator TRENWITH (Victoria). — A good deal of the trouble which has arisen is due to the action of the Government. Honorable senators were induced to remain here last night with a view to discussing the question and taking a vote, and the Government, I think, broke faith with us.

Senator TURLEY.—I rise to a point of order. I have heard Senator Smith say, by way of interjection, that Senator Trenwith has acted fairly right throughout, but that that is more than he can say for other honorable senators. Is that remark in order? I believe it to be a reflection on honorable members of the Senate.

Senator STANIFORTH SMITH.—I withdraw the remark.

Senator TRENWITH.—I feel that honorable senators, although they may make mistakes, act fairly. The Government have entailed on us what has been practically a useless discussion during the early hours of this day. We came here yesterday determined, at whatever hardship, to sit all night, if necessary, in order that this extremely important question might be discussed. Speaking for myself, I confess that I was very ill informed on the matter, and was anxious to keep an open mind, and to hear everything that could be said in favour of the proposition. The adjournment of the debate, at half-past 2 o'clock, put honorable senators in the position of having lost their night's rest fruitlessly. I feel that that is what has led to the recent futile discussion.

Senator BEST.—Acrimonious discussion.

Senator TRENWITH. — I sympathize most heartily with honorable senators who represent Western Australia, and I should be delighted if evidence could be produced sufficient to induce me to vote for the proposal of the survey. I cannot help thinking that some measure of blame for all the hours of acrimonious discussion is attached to the representatives of Western Australia. The reason they gave for desiring an adjournment did not necesitate their stopping the discussion, because they could have kept on informing honorable senators until a much later hour, and thus have delayed the mere voting until all their forces could be marshalled.

Senator TURLEY.—I rise to a point of order. I heard an interjection from Senator Smith that the "whole thing was arranged" by members of the Senate. I do not know whether any honorable senators entered into an arrangement, but I take the interjection as a reflection on honorable senators who declared for or against the proposal.

The PRESIDENT.—I really think that these points of order are somewhat fine. I do not know what is meant by "an arrangement," but, perhaps, it would have been better if Senator Smith had not made the observation.

Senator TRENWITH. — It is known that, in a general way, I am opposed to the policy of the Government, but I have always felt it to be my duty to do whatever I could to assist in facilitating business. I feel, however, that during the night we have been somewhat badly treated by the Government.

Senator Sir JOSIAH SYMON.—I think not.

Senator TRENWITH.—At the time I felt somewhat angry, and I am glad that a little time for reflection has removed that feeling. I feel it my duty, however, to say that when honorable senators remain, at great sacrifice, until inconvenient hours, faith ought to be kept with them; and there ought to be an opportunity for intelligently using the whole of the time they agree to devote to public business.

Senator BEST (Victoria).—I give full credit to honorable senators representing

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Western Australia for the efforts which they have made on behalf of their State.

Senator DE LARGIE.—The honorable senator deserves discredit for what he has done.

The PRESIDENT.—Senator de Largie should not have made that remark.

Senator DE LARGIE.—I withdraw it.

Senator BEST.—If any honorable senator wants a row, I am on, but I should like Senator de Largie to understand that the representatives of Victoria and Tasmania, whom Senator Smith especially referred to as having opposed the measure, were doing so in the exercise of their rights, and in defence of the interests of their States.

Senator STANIFORTH SMITH.—Will the honorable senator say that there was no shadow of arrangement to the effect that a final vote should not be taken?

Senator BEST.—If our wishes had been consulted, a vote would have been taken immediately Senator Pearce sat down.

Senator STANIFORTH SMITH.—Honorable senators who oppose the Bill knew that a majority was in favour of it, and therefore they prevented a division being taken.

Senator BEST.—I deny that. The opponents of the Bill are in a majority. We were anxious that there should be a division, and, in saying that we sought to avoid one, the honorable senator is acting unfairly.

Senator DE LARGIE.—What about the attempt to count out?

Senator BEST.—I was opposed to that. I gave Senator Smith the assurance—and I spoke for several others, as well as for myself—that we would be no parties to a count out. I should not like the House to adjourn with the feeling that there has been unfairness. I give the most generous credit to Senators Pearce, Smith, Henderson, and other representatives of Western Australia for the fight which they have maintained. The representatives of Victoria, however, feel that this proposed survey should not be made at the expense of the Commonwealth. When the proposal is brought forward again I trust that it will not be put before us in the last hours of the session, so that it may be fairly treated.

Senator STANIFORTH SMITH.—We have not had an opportunity to take a fair vote.

Senator BEST.—The honorable senator and others acting with him voted for the adjournment of the debate. We have fought a fair fight.

Senator STANIFORTH SMITH.—That is questionable.

Senator BEST.—The only thing that is questionable is the action of the honorable senator.

Senator STANIFORTH SMITH.—We could not obtain pairs. That was not fair.

Senator BEST.—I am not at liberty to discuss that question, but there is an aspect of it which Senators Higgs, Givens, and one or two others could explain.

Senator STANIFORTH SMITH.—We have been prevented from taking a fair vote.

Senator TURLEY.—That is absolutely untrue.

The PRESIDENT.—The honorable member must withdraw that remark.

Senator TURLEY.—I will withdraw it if Senator Smith withdraws his remark.

Senator STANIFORTH SMITH.—I withdraw what I said.

Senator TURLEY.—That being so, I withdraw my remark.

Senator BEST.—I would deplore the fact if, at this period of the session, there were any friction or acrimony. My remarks gave no justification for the accusation of unfairness.

Senator PEARCE (Western Australia).—I wish to say a few words on the proceedings of the night, especially as Senator Trenwith, who has alluded to them in general terms, but very kindly, seemed to put the blame for what has occurred on our shoulders. As I have been in the chamber practically the whole night I am fairly conversant with what has occurred. The representatives of Western Australia are not numerous, and they had to conserve their speakers if they wished to keep the debate going until they had the supporters of the Bill present. It was imperative that we should secure their attendance, because a practice to which I am not at liberty to refer specifically has on this occasion been departed from. Not a right, but an act of courtesy which has always been recognised by honorable senators was disregarded on this occasion.

Senator TURLEY.—By whom?

Senator PEARCE.—By every one who was approached.

Senator DE LARGIE.—The honorable senator was one who disregarded it.

Senator TURLEY.—I have always refused pairs since I have been a member of the Senate.

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Senator PEARCE.—That merely serves to confirm my statement. There is a letter in the possession of a representative of Western Australia——

Senator GIVENS.—I rise to a point of order. You have already prevented other honorable senators from discussing the question of pairs, Mr. President, and, although I do not object to Senator Pearce dealing with the subject, I wish to know whether others will be given a similar opportunity to refer to it.

The PRESIDENT.—I have prevented several honorable senators from referring to that question, and Senator Pearce must not discuss it.

Senator PEARCE.—I am not discussing it. All that I say is that a representative of Western Australia has in his possession a letter from an honorable senator who is ill, stating that he is prepared to vote for the second reading of the Bill. When the discussion had reached a certain stage last night, Senator Henderson, who was one of the only two senators from Western Australia in the chamber, who had not spoken, moved the adjournment of the debate, because Senator Smith had intimated that he did not desire to speak at that time. The Attorney-General appealed to him not to press the motion, and other honorable senators, who support the Bill, also urged that it should be withdrawn. Senator Henderson then asked leave to withdraw his call for a division, but Senator Neild, who is opposed to the survey, objected. We must not forget that honorable senators opposite, although prepared to discuss the matter in the lobbies, were not ready to speak against the Bill on the floor of the chamber.

Senator TURLEY.—I desired to speak here.

Senator PEARCE. — Neither Senator Turley nor any one else can deny that you, Mr. President, were on your feet, putting the question, when Senator Henderson rose to move the adjournment of the debate. Where were the honorable senators who were prepared to discuss the matter? Senator de Largie and myself followed each other in succession in support of the Bill, but the opponents of it were silent.

Senator MULCAHY. — Senators Neild, Fraser, and Gould followed each other in succession, and they were all opposed to the Bill.

Senator PEARCE.—Who followed Senator de Largie from the other side? No one. Senator Henderson, in order to allow of the attendance of the senator to whom I have referred, moved the adjournment of the debate. Subsequently, he requested leave to withdraw his call for a division, but objection was taken by an opponent of the Bill. Senator Trenwith has said that a certain degree of blame must be placed on the shoulders of the representatives of Western Australia. In what way are we blameworthy? I think the honorable senator made that statement without a full knowledge of the facts.

Senator TRENWITH.—I withdraw it.

Senator PEARCE.—From his statement of what has occurred, I think it will be seen that the supporters of the Bill have afforded every opportunity for its full discussion. I, for one, do not object to anything that may be said by senators opposite. I recognise that, as Senator Best has pointed out, they have a duty to perform, and that, if the States which they represent are opposed to this Bill, they have certainly a right to voice their opinion. When they remained silent, however, I think there was reasonable ground for the suspicion that, knowing that we wished to secure the attendance of the supporters of the Bill, they were prepared to take us at a disadvantage. Is it not a fact that when Senator Styles was speaking, Senator Best left the chamber, and that, although he had scarcely passed through the doorway when attention was called to the state of the Senate, he did not return?

Senator BEST.—If the honorable senator thinks that I left the chamber with the deliberate intention to secure a count-out, he is absolutely wrong.

Senator STANIFORTH SMITH.—The honorable and learned senator explained the matter to me.

Senator PEARCE.—I accept the honorable senator's assurance.

Senator BEST.—I am sorry that the honorable senator thought of such a thing, but he was altogether wrong.

Senator PEARCE.—We all thought that that was the object which the honorable senator had in view. It appeared to be a deliberate attempt to secure a count-out. In view of all these facts, a suspicion was created, which has not been wholly removed, that there would not be a vote upon this question unless it could be taken when we were at a disadvantage.

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Senator TURLEY (Queensland).—I was in the chamber when attention was called to the state of the Senate, but I did not think of retiring. I had no desire to see the Senate counted out, for I had said that I was prepared to listen to the arguments advanced in support of the Bill by those who were better acquainted with the subject than I was. The statement made by Senator Pearce shows that when a person is deeply interested in any subject, and sees something being done, the object of which he does not fully understand, his suspicions lead him to jump to the conclusion that it is designed to frustrate the purpose which he has in view. No doubt that is very natural, but I would point out that an uncontradicted statement of the kind made might lead the public to the conclusion that some honorable senators had been acting unfairly. We have been charged with a conspiracy of silence, with the object of obstructing business. But I absolutely deny that any understanding existed among honorable senators to that end. Senator Higgs will bear me out when I say that when he asked me if I was ready to speak, I answered in the affirmative, and stated that I had all my papers and documents ready. Whilst we were speaking, Senator Dobson came in, and Senator Higgs said, "I think Senator Dobson is going to speak first." I thereupon made up my mind to defer to Senator Dobson. We were all anxious to hear the opinions of the representatives of Western Australia and South Australia, who were supposed to be best acquainted with the circumstances, but there was no hanging back on our part. I was prepared to speak at any time after Senator Pearce had sat down; but when I realized that Senator Dobson—who probably had a better acquaintance with the subject than I had—wished to address the Senate, I gave way. Surely, I cannot be charged with obstructing business, because I decided to waive my right in favour of an honorable senator whom I thought had a prior claim? I absolutely deny that there was any attempt on the part of myself or other honorable senators to obstruct the debate. It was stated by Senator Pearce that the advocates of the railway had to reserve their speakers. Three honorable senators who were opposed to the proposed survey spoke one after the other, and no attempt was made to reply to them. Senator Smith states that he knew that the supporters of the Bill were in a majority, and yet we are told that they were not prepared to speak in reply to the views expressed in opposition to the project. One representative of Western Australia therefore contradicts another. If they had had a majority, they should surely have been in a position to offer a reply to every honorable senator who opposed the measure. I am opposed to the Bill, but it is not to be conceived that I should allow it to pass without expressing the opinions of those I represented. Were the representatives of Queensland to sit by as dumb dogs, and say not a word on behalf of their own State? I object to the unfounded statements of the representatives of Western Australia which are calculated to prejudice us in the eyes of the public.

Senator Sir JOSIAH SYMON (South Australia — Attorney-General). — I hope that when we resume the consideration of this Bill at 2 o'clock this afternoon, honorable senators will do what they can generously, and magnanimously, if necessary, to enable a division to be taken on the second reading. Senator Trenwith made a complaint with regard to my action. I would only say that the attitude I adopted from the beginning was that we should go on with the debate, and come to a division—at any rate, that we should conclude the debate. It was from no desire to inconvenience honorable senators that I felt bound to resist an early adjournment. I strongly resented the motion for adjournment moved by Senator Henderson, and it was at my instance that he sought to withdraw his call for a division. As the honorable senator was refused leave to withdraw, I then voted with him, because I thought the refusal was distinctly unfair.

Senator BEST.—Why?

Senator Sir JOSIAH SYMON. — My honorable friend took a different view, but I thought it was distinctly unfair that the opportunity should be withheld from Senator Henderson of withdrawing his call for a division on his motion for the adjournment of the debate. For that reason I took the action I did, protesting all the while that I desired the course I had laid down, with a view to having this important matter finally dealt with, to be carried out.

Question resolved in the affirmative.

Senate adjourned at 6.6 a.m. (Thursday).

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House of Representatives.

Wednesday, 14 December, 1904.

Mr. SPEAKER took the chair at 10.30 a.m., and read prayers.

RIVERINA AND MELBOURNE ELECTIONS.

Mr. WATSON.—I wish to know from the Prime Minister if he has had time to consider what position he will take up in regard to the question which I raised last evening concerning the reimbursement of the the two members I then mentioned?

Mr. REID.—The leader of the Opposition last night, after the adjournment of the House was moved, brought under the notice of the Government the cases of members concerned in elections which had been voided owing to irregularities on the part of Government officials. There was a general feeling amongst honorable members then present that the Government, because of the long delay which has occurred, and the approach of the recess, would be justified in recognising these claims in anticipation of the proper vote of Parliament.

HONORABLE MEMBERS.—Hear, hear!

Mr. REID.—I thought it well that I should have the question put to me again this morning as many honorable members were absent last night.

Mr. SKENE.—Is the reimbursement to be made to all the candidates affected, or only to the sitting members?

Mr. REID.—I consider the principle to be one in regard to the application of which no differences can be made. I could not conceive of a case in which one candidate should be recouped his expenses while another was not. I take it that, although the names of the honorable members for Riverina and Melbourne have been specially mentioned, there is no intention to exclude Mr. Blackwood and Sir Malcolm McEacharn, or any other candidate who has claim for consideration. In view of the feeling which has been expressed both last night and this morning, I think I may say that the Government will take the responsibility of recognising these claims, though the amount to be paid is one which we must settle ourselves, and in regard to which we must take full responsibility. I understand the House to assent merely to the request that these claims shall be recognised in anticipation of parliamentary approval, while the Government take full responsibility for the amounts paid. I do not feel prepared to go too far in recognising claims of this kind. For instance, I am informed by the honorable member for Riverina that, owing to the great size of his electorate, his expenses came to something like £600 or £700.

Mr. THOMAS.—I thought that no honorable member was allowed to spend more than £100?

Mr. REID.—I am referring to the honorable member's personal expenses, and I may say at once that I am not prepared to reimburse so large a sum as that. I must act with prudence, and with a proper regard for the public interest; but I think that the Government may take the responsibility of reimbursing those concerned to a reasonable extent, and I will do so.

Mr. EWING.—Of course, it is only in cases where loss has been inflicted upon candidates by the delinquencies of Commonwealth officials that reimbursement will be made.

Mr. REID.—Yes. If a candidate were involved in any way in the irregularities he would not be entitled to consideration.

Mr. EWING.—The Government accepts responsibility for the acts of its officers?

Mr. REID.—Whilst our action amounts to a recognition of that principle, the Government strictly reserve to themselves the right to decide what is a fair reimbursement,

CASE OF MAJOR CARROLL.

Mr. McDONALD.—I wish to ask the Minister of Defence the following questions, which have been on the notice-paper of the Senate for about a week:—

1. Will the Minister for Defence ascertain from Colonel J. C. Hoad whether the following letter was written by him:—

"Military Forces of the Commonwealth,
"Head-Quarters, Melbourne,
"27th May, 1903.
"Captain and Hon. Major J. W. M. Carroll, Retired List.

"Sir,—With reference to your letter of the 14th inst., I am desired by the General Officer Commanding to inquire whether you are prepared, in the event of being placed on the Unattached List as requested, to refund the gratuity awarded you on retirement.—I have the honour to be, Sir, your obedient servant,

"J. C. HOAD, Colonel,
"D.A.G. and C.S.O."

2. Will the Minister for Defence ask Colonel Hoad to state on sworn affidavit was he, as the letter states, desired by the General Officer Commanding to inquire if Captain Carroll was prepared to refund gratuity if placed on the Unattached List?

3. Will the Minister lay Colonel Hoad's reply on the table of the Senate?

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Mr. McCAY.—I think that notice should be given of questions of this kind. It is unnecessary for me to ascertain whether the letter referred to was written by Colonel Hoad, because it is stated in the evidence given before the Select Committee of the Senate, which inquired into the case of Major Carroll, that the letter was so written. The question whether it was written with the knowledge of the General Officer Commanding was also investigated by that Committee. If I recollect aright, the General Officer Commanding stated that he was not aware of the letter being sent. He has now left Australia, and I do not think it proper that matters of this kind should be brought up in his absence, because he has his rights as other people have theirs. To determine it would only mean fresh inquiries.

Mr. WATSON.—Then is Colonel Hoad to rest under the stigma of having made a misstatement?

Mr. McCAY.—So far as the phrase "I am desired by the General Officer Commanding" is concerned, I might explain that those are merely formal words, from whose use it does not follow that the superior officer actually saw the letter.

Mr. WATSON.—Still the general tenor of the letter would be either authorized or not authorized by the General Officer Commanding.

Mr. McCAY.—If the question whether Major-General Hutton's evidence was truthful or not is raised, I do not propose to investigate it until he has an opportunity, as well as those who question the accuracy of his statement, to give evidence on his own behalf.

Mr. WATSON.—Can the Minister ascertain from Colonel Hoad what authority he had for sending the letter? If Colonel Hoad insists that the letter was sent by the authority of the General Officer Commanding, the matter should be referred to the latter for any remarks that he may have to make. The letter contains the clear statement that the authority of the General Officer Commanding was given for its despatch. The trouble seems to be that it is affecting the position of a man who some who have gone into the matter think has been treated rather badly, and until this question is cleared up it seems to be impossible to deal with the other issue.

Mr. McCAY. — The question whether this letter was or was not written with the knowledge of the General Officer Commanding in no way affects, so far as I can judge, the position of either Major Carroll or Colonel Hoad.

Mr. McDONALD.—Colonel Hoad was not able to give evidence before the Select Committee. That is the difficulty. If he had been here, there would probably have been a different assumption.

PROPOSED NEW TEMPORARY STANDING ORDERS.

Mr. REID (East Sydney—Minister of External Affairs).—With the concurrence of the House, I should like to move a motion such as is generally moved at this period of the session, in order to enable Government and private business to be taken up next session at the stage which it reached at the time of prorogation.

Sir WILLIAM LYNE.—Can that be done by resolution?

Mr. REID.—Yes. The House has control of its own business to that extent. I desire to move —

> That, until permanent Standing Orders are adopted, the following be temporary standing orders of this House :—
>
> LAPSED BILLS.
>
> 214A. If in any session the proceedings on any Bill shall have been interrupted by the prorogation of Parliament, the House may, in the next succeeding session, by resolution, order such proceedings to be resumed at the stage to which the Bill had been advanced in the previous session, provided a periodical election for the House has not taken place between such two sessions.
>
> 214B. Any such Bill may be sent to the Senate as if it had been introduced and passed by the House in the second session.

Sir WILLIAM LYNE.—Could not the second resolution be dispensed with?

Mr. REID.—I have provided for the usual procedure, which gives the House in the succeeding session control of its business for that session.

Mr. GLYNN.—Has the Prime Minister considered how this motion would affect the deadlock provisions of the Constitution?

Mr. REID.—I do not think that it would interfere with the operation of those provisions, which bear upon questions of fact, involving the rejection of, or failure to pass or to return, certain measures. This motion would not override the Constitution.

Mr. BRUCE SMITH.—Is it not necessary to obtain the permission of Parliament as a whole to depart from the procedure laid down in the Constitution?

Mr. REID.—There is none.

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Mr. BRUCE SMITH.—This is done by an Act of Parliament in the States.

Mr. McCAY.—In Victoria it is done by a standing order.

Mr. REID.—It is also done by a resolution in the States, and, to the best of my recollection, by a standing order in New South Wales. I have known it to be done by resolution without a standing order.

Mr. SPEAKER.—Is it the pleasure of the House that the Prime Minister have leave to move this motion without notice?

Mr. McDONALD.—I object.

Mr. REID.—In that case, I give notice of my intention to move the motion to-morrow.

NEW HEBRIDES.

Mr. SALMON.—In asking, *upon notice*, the following question, I desire to say in explanation that I placed it upon the business-paper because of a report, appearing in the *Age* newspaper of Friday last, stating that a Select Committee of the Chamber of Deputies had brought up a report recommending that the New Hebrides either be annexed or have a protectorate established over it by the French Government:—

Whether, in view of the recent reports of the expressed desires of members of the French Legislature regarding the ultimate destiny of the New Hebrides, he is in a position to re-assure those Australians who view the position with much anxiety?

Mr. REID.—There is a fixed definite understanding between the Governments of Great Britain and France that no such annexation is to take place on the part of either power, and that understanding has been the subject of earnest representations from time to time from the Commonwealth Government to the Imperial Government. The Home authorities are in no doubt as to the views we hold, or as to the earnestness with which we oppose any such step as that referred to. I can assure the honorable member that there is no possible doubt in the minds of the Imperial authorities as to the sentiments of Australia on this question.

PREFERENTIAL TRADE.

Debate resumed from 13th December (*vide* page 8354) on motion by Mr. DEAKIN—

Inasmuch as every increase in trade between the mother country and the Colonies or any of them would be of mutual advantage commercially, while collectively, by multiplying their production, profitable employment, population, and exchanges, such increases must enhance the unity and power of the Empire, this House resolves that—

1. The encouragement of industry and commerce within the Empire is a high national aim of paramount importance to all its peoples.
2. The proposals of the Secretary of State for the Colonies at the Colonial Conference of 1902, as then approved and since tentatively defined in order to foster inter-Imperial trade, outline a patriotic and statesman-like policy of internal development and external influence, whose details should be discussed by a further Conference at the earliest opportunity.
3. The Prime Minister be requested to consider the existing openings for preferential trade relations between Australia and other colonies.
4. The Prime Minister be invited to obtain all data necessary for the preparation of a measure granting a preference to British imports into Australia which compete solely with imports from foreign countries.
5. The Prime Minister is hereby authorized for and on behalf of the Commonwealth to offer to the Government of the United Kingdom a preference upon its exports to Australia in return for a preference upon our exports to Great Britain and Ireland, such preference to be reciprocally adjusted according to Schedules sanctioned by Parliament.

Mr. GLYNN (Angas).—I regret that a policy so far-reaching in its possibilities for good or evil should be pressed upon the attention of a House wearied with the waste of ten months comparatively fruitless discussions. It can scarcely be hoped that at this stage of the session either time or energy adequate to the importance of the issue raised remains, or that recent episodes in the play of parties have left us with that *morale* and disposition that would enable us to rise, above mere considerations of self, to the height of a great Imperial question. A matter of this kind should not be precipitated to a decision. Most great questions of politics are settled without serious consideration. A few fetching platitudes often prove more effective than deductions drawn from the closest study and the widest experience. Each particular trader is tempted to frame the laws of production and exchange from the suggestions of self-interest in his own particular line, and yet it is upon wisdom of this sort that the fate of Empires is made to depend.

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When a man like Mr. Chamberlain comes into the field, so many allowances have to be made for self-interest, ambition, the disinclination to test the worth of plausible theories, the facts that consideration of remote consequences seldom pays men who live longest and best from hand to mouth, and that the rest that tends to recoup a nation often spells death to the would-be leader—allowances have to be made for so many sinister influences before the true weight of authority upon which an opinion rests can be tested —that wisdom lies in taking nothing for granted, except that blundering has no limits. No man knows better than the honorable member for Birmingham the usefulness of being active in politics.

> Preservance, dear, my Lord,
> Keeps honour bright: to have done is to hang
> Quite out of fashion, like a rusty mail
> In monumental mockery.

As a matter of fact, it is a strange thing that the condition of the Empire, which, in the opinion of Mr. Chamberlain, and occasionally of Mr. Balfour, who takes his cue from Mr. Chamberlain, is so bad, was only recently discovered by the honorable member for Birmingham after his return from South Africa in 1902. One is, therefore, inclined to be a little suspicious as to his proposals at this stage. The *Edinburgh Review*, referring to the possible motives that may have been operating, said, in its issue of 5th July, 1903—

> Where, then, except in the position of the Imperial Government, lies the need for fiscal experiments, even if, as a remedy, their efficacy were undisputed. It is the case again of political hypocrisy, party and power being preferred to national nobility.

The honorable and learned member for Ballarat, in the course of his eloquent speech, acknowledged that preferential trade was advocated as a means to an end, the end being the political consolidation of the Empire. The substitution of a more or less rigid Federal arrangement, with its consequent diminution of local autonomy, is the ideal—from whatever motives it may be cherished—of Mr. Chamberlain, and the revival of the policy discarded about fifty years ago as pernicious is advocated as a condition of its realization.

Mr. EWING.—Is that so?

Mr. GLYNN.—I do not wish, having a due sense of the necessity of economizing time, to accumulate proofs; but in view of the challenge of the honorable member, I will make one or two quotations. At Luton, on 4th October last, Mr. Chamberlain, again assuming that the initiative came from the Colonies, said—

> They are calling upon you to evolve out of your present conditions some closer, more permanent union, that shall make us once for all a great and united nation.

"United"! Here again, as in the case of so many great orations, the question is begged at almost every point from exordium to peroration. A little earlier, on 4th August, at Welbeck, Mr. Chamberlain said—

> Let us unite the Empire, the great aspiration of the best and wisest of our statesmen.

He then acknowledged that preferential trade was being advocated merely as a means to an end, not—although he did not expressly say so—as an object in itself deserving of commendation. With that disregard for historical facts, which is occasionally very convenient, Mr. Chamberlain said that commercial unity had in every case preceded closer political federation. As a matter of fact, except in one case—that of the Zollverein—commercial unity had not preceded federation. In that case, Inter-State free-trade existed, and that is not the system which our preferential trade friends in Australia are now advocating. A distinguished Austrian writer, Frederick List, in his *National System of Political Economy*, said that all the examples which history can show are those in which the political union has led the way, and that commercial union has grown out of it. Mr. Balfour, who occasionally gives indications of his preference to play the *rôle* of the philosophic observer of events rather than of the active worker, gives a hesitant acceptance of the ideas of Mr. Chamberlain, although he differs from him as to the methods of achieving them. Speaking at Edinburgh in October last, he said they were aiming at the consolidation of the Empire; although, like a man forced by circumstances to express an opinion before he had formed one, he urged them to proceed with the wisest caution. I personally object, as a true Imperialist, to both the means and the end. I believe that for an Empire like ours, the loose tie is the best. In 1774, the limitation of local autonomy led to the loss of half a continent to the Empire.

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Mr. EWING.—The honorable member knows that that has no bearing upon the question whatever.

Mr. GLYNN.—Does the honorable member say that I would pretend that it had, if I knew that it had not?

Mr. EWING.—I believe that the honorable and learned member is too well informed to entertain that view.

Mr. GLYNN.—My reading leads me to the conclusion that it has a bearing. Political consolidation involves a limitation without any compensating advantages in greater solidarity of either purpose or affection. There are two kinds of Imperialism. There is the Imperialism that would put the Empire in a strait-jacket, and the Imperialism which has been so long and so well advocated by the *Spectator*, the great English Liberal journal, and which is perfectly consistent with the maintenance of colonial nationalism. On the 1st October last, the *Spectator* said that true Imperialism is interwoven with colonial nationalism. As it well said :—

An Empire formed by this spirit will stand four square to all winds of Heaven, and no man need set bounds to the intensity and intimacy of the co-operation which time and growth of population which the rapidity of communications may in the end produce. Meantime, and even if its immediate evolution should be rather in the direction of an autonomy greater than at present, we have all the essentials of strength and permanence in the union of free nations within a free Empire. Only one thing can shatter such a fabric—the introduction within it of a spirit of unrest and suspicion, and the curtailment of the freedom and elasticity of movement in the constituent parts.

These words are deserving of respect and consideration. What is the present need for any re-arrangement in the interests of Imperial solidarity? Our loyalty to a system under which, during the last half-century, constitutional freedom, with its accompanying industrial development, has progressed, is, if anything, stronger than before—the system of independent organic growth of free communities, united only by a common allegiance and an Imperial reserve of power, to be used at the request of those interested. That system gives us perfect local autonomy, adaptation from time to time to local conditions as necessities arise, the pride of organic life, that mutual co-operation which is all the more effective in that it is in its essence voluntary, and the absence of that friction which ever accompanies a system under which the seat of government is distant and the representative principle weakened. Canada is now regarded as, perhaps, holding the highest place in the affection of the motherland, and as being the colony most loyal to the present Imperial system.

Sir JOHN FORREST.—I do not know about that. Has the honorable and learned member ever been there?

Mr. GLYNN.—I say that Canada is at present so regarded. Now, let us compare the position of Canada, at present extolled for its loyalty to the Empire, with its position in 1839, when an attempt was made to introduce, by means somewhat too forcible, the principle of responsible government. Twelve men were sentenced to be transported to Tasmania, though when they arrived in England public opinion was too strong to permit of their continuing their voyage to this part of the world. The actual facts are a strong commentary upon the forecasts of even the most eminent statesmen, when we compare the present position with that predicted as the result of granting responsible government to Canada. Lord Stanley then said that the consequences of granting the Canadian demands would be the establishment of a Republic. I believe that political consolidation is unnecessary, dangerous, and inimical to the cohesion of the Empire. To be a success, it must be thoroughly representative, and to be adequate it must involve equality of burdens. Some eighteen or twenty years ago the advocacy of Imperial consolidation upon the Federal principle was rather fashionable. I believe that even Lord Rosebery, who now dissents from any proposal in that direction, was President of an Imperial Federation League. Sir Frederick Pollock, who is a man of calm and carefully-formed judgment, in expressing, not his own opinion merely, but that of several with whom he had been in consultation, thus refers to the policy of Imperial Federation in the *Times* of 21st October, 1904:—

At one time there was a disposition to seek for a plan of Imperial Federation in the strict sense. The vision of a written Constitution for the British Empire, analagous to those of the United States, the Dominion of Canada, and the Commonwealth, which would embrace, not only self-governing communities, but Federated Unions of States as its members, is at first sight alluring by its magnificence. But the more it is considered the more chimerical does it appear.

He says that no reason has been shown for it, and that it is practically certain the self-governing Colonies would have nothing to do with it. That is a prediction which I hope will be realized, at all events, so far as this House is concerned.

Mr. EWING.—There is no proposal of that character under consideration at the present time.

Mr. GLYNN.—But we must judge of policies by their tendencies. Mr. Chamberlain—as I have endeavoured to show—has frankly declared the end which he has in view. As regards Imperial Federation, I claim that its establishment would involve an unwieldly central Legislature and diminished local autonomy. It would compel the representatives of the Colonies to remain silent upon about 99 per cent. of the questions which engage the attention of the British Parliament, or to meddle in matters in regard to which they should abstain from interference. Such a body would not be elected upon any common representative principle. It must necessarily be based upon a principle under which India would be denied representation, and colonial opinion, instead of being voiced as it is now by its Australian Parliaments, would then be represented by men who, year after year, would grow more and more out of touch with local sentiment, and who would therefore be misleading expositors of Australian opinion. In addition, there would be a depletion of efficient representatives in local bodies. Outside foreign policy and common defence, it is difficult to say what matters should fall within the competence of a central Imperial Parliament. It may be that such matters as merchant shipping, copyright, the admission of aliens, marriage, &c., which have been mentioned by Sir Frederick Pollock — although not in this connexion — could be delegated to the competence of a central Legislature. But nobody will argue that we ourselves cannot deal more effectively with such matters from the standpoint of local interests. Between the goal of Mr. Chamberlain, which is Imperial Federation, and the present system of holding occasional Conferences of Premiers or other representative men as circumstances require them to sit, there seems to be no reasonable or possible mean. It has been suggested that a permanent advisory council should be established, armed, first of all, with executive, and afterwards with legislative functions. Even a man like Mr. Haldane seems for the moment to forget that a Cabinet as such cannot exist, apart from a popular assembly—that is to say, that it is nothing more than a Committee chiefly of the popular House which initiates legislation that is approved of by the people at each election. But, to put it mildly, a Cabinet of the Empire, divorced from representation, is inconceivable. We have also seen Sir Frederick Pollock himself—driven almost in desperation to meet the anxiety to do something which appears to exist on the part of Mr. Chamberlain and others—suggesting that we might make use of the Privy Council for the purpose, by adding to its members, men from various parts of the Empire. He does not propose that these members should be elected. If they are not to be elected they must be nominees, and consequently they would not retire as opinion changed in that portion of the Empire of which they were supposed to be delegates. Members of the Privy Council, who are not Ministers of State, can speak with no authority. His suggestion, therefore, contains the weakness which is inherent in any scheme that is not based upon the true Cabinet principle of responsibility to the popular body. It has also been suggested that we should send home some of our superannuated local celebrities to pass the mellow years of their political lives in the somewhat composing atmosphere of the House of Lords. Still another suggestion is that we should be granted representation upon the Judicial Committee of the Privy Council, and that our representatives should sit in the House of Lords and voice the aspirations of the colonial democracy. I cannot see much to recommend any proposal to send home semi-obsolete politicians, because we know how soon a man becomes subdued by the atmosphere which he breathes, and how radical tendencies would be likely to be affected by such influences as would be brought to bear upon him within the sacred precincts of the House of Lords. Pursuing, then, the principle of examination and exhaustion, if we cannot accept the goal of Imperial consolidation based upon a Federal principle, we are of necessity driven to acknowledge the efficacy of the system which we have at present—the system of holding occasional Conferences. In their heart of hearts, I believe that Imperial statesmen regard this as the best scheme. Take, for instance, the present Colonial Secretary, the Hon. Alfred Lyttelton.

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Speaking at the Canadian Club on the 18th of January, 1904, he stated that there were two great obstacles to a permanent Imperial Council—the difficulty of sparing leading statesmen to be members of it, and the fact that they would lose touch with the democratic communities they represented. He therefore gave his judgment in favour of the present system of holding occasional Conferences. So did Mr. Chamberlain a few years ago. The Federal system is, I believe, unsuited to the conditions of an Empire so vast as is ours, and composed, as it is, of units differing in their local development, modes of thought, industrial effectiveness, and in the general character of their institutions. Without amplifying reasons, I believe that to adopt Mr. Chamberlain's proposals would be to introduce a principle of disintegration, and that, instead of making the Empire more stable, by substituting compulsion for affection, we should really introduce a dissolvent. We ought to recollect that the cause of the separation of the American Colonies, in 1775—as was so well pointed out by Burke in his great speech upon conciliation, even after the declaration of independence—was the substitution for the principle of a voluntary grant by semi-independent units of compulsion through taxation.

Mr. EWING.—Where is the compulsion in this case?

Mr. GLYNN.—We should have the compulsion of a central body operating upon us whenever a majority of that body determined that it was necessary to exercise such compulsion. Upon the occasion in question, Burke said—

> My resolutions, therefore, mean to establish the equity and justice of a taxation of America, by grant and not by imposition. To mark the legal competency of the colony assemblies for the support of their government in peace, and for public aids in time of war. To acknowledge that this legal competency has had a dutiful and beneficial exercise; and that experience has shown the benefit of their grants, and the futility of parliamentary taxation as a method of supply.

I propose now, having dealt with the end, to say something as to the means. The policy of preference, as has been pointed out by Mr. J. A. Spender, in the October number of the *Fortnightly Review*, page 588—

> In the hands of a skilful exponent, has every element of superficial attractiveness. It is highly combative and anti-foreign; it promises immediate material gain to large classes; it claims both to create employment, and to mitigate competition. On the other hand, the answer to these direct appeals to the pocket can only be conveyed in an argument, which, complete though it be, is necessarily elaborate and difficult, and which makes large demands on the reasoning faculties of the average elector. Here is certainly a severe test for democracy—a test to which neither the European nor the Colonial democracies have proved equal.

The honorable and learned member for Ballarat has submitted a motion, some of the paragraphs of which contain mere general declarations of principle. We do not need to be continually making general declarations of principle, which may be affirmed by men differing widely as to means. It is superfluous to affirm that—

> The encouragement of industry and commerce within the Empire is a high national aim of paramount importance to all its peoples.

The second proposition embodied in his motion declares that we ought to adopt the suggestions made by the Secretary of State for the Colonies at the Colonial Conference of Premiers, which was held in London in 1902. The method suggested by the honorable and learned member for Ballarat is one which is intended to foster Imperial trade. But what was the method suggested by Mr. Chamberlain upon the occasion to which I have referred? It was free-trade within the Empire. Is the honorable and learned member for Ballarat, or are those who sympathize with him, prepared to adopt that principle? Mr. Chamberlain, I would point out, was very explicit as to what he meant. He declared that there may be some necessity for Colonial taxation, but that it must be based upon purely revenue lines; that instead of adopting the colonial principle of taxing articles which can be produced locally, we must tax only those articles which cannot be produced locally. He said—

> But in my mind, whenever Customs duties are balanced by Excise duties, or whenever they are levied on articles which cannot be produced at home, the enforcement of such duties is no deviation whatever from the principle of free-trade, as I understand it.

I think we ought to ask the honorable and learned member for Ballarat to say whether he really means what he says in the motion—that we ought to adopt Mr. Chamberlain's then policy of Inter-Imperial free-trade. If he does not wish us to at once adopt it, is he advocating this scheme merely as a means towards that ultimate end? If he is, I ask my honorable friends who advocate preference,

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whether they are prepared to follow him? Let us not deal merely with ambiguous propositions, but with what Mr. Chamberlain has actually stated. If the honorable and learned member for Ballarat wishes us to adopt Mr. Chamberlain's declaration, I must ask honorable members to consider what that would mean. The honorable and learned member strengthens the inference to be drawn from paragraph 2 of the motion by his reference, apparently with a preference for it, to the German Zollverein. That Zollverein, as I have stated, is based on Inter-State free-trade. In referring to this matter, the honorable and learned member for Ballarat seemed at the same time to think that we might adopt a system of Inter-Imperial treaties. He appeared to throw out two suggestions, which cannot be reconciled. Without dwelling on the question of the efficacy of these treaties, I would point out that they have been tried in Austro-Hungary and have failed. Doctor Petritsch, an eminent Austrian economist, in an article cited by the *Edinburgh Review* of October, 1904, from the *Economic Journal* of, I think, July, 1904, writes that the Austrian system is closely analogous to one of the suggestions made by Mr. Chamberlain's party—

> It must be observed, too, that Mr. Chamberlain's preferential scheme would entail an entangled network of treaties far more complicated than the negotiations of the Austro-Hungarian Zollund Handels-bundniss. There does not seem to exist the faintest ground for believing that the difficulties in conciliating so manifold divergent interests will be less.

Neither of the schemes suggested by Mr. Chamberlain will recommend themselves to the substantial parties in this House. I presume those in favour of preferential trade would not accept it on the basis of Mr. Chamberlain's scheme in 1902, and I certainly do not think many would agree to that system of Inter-Imperial treaties which, in the case of the Austro-Hungarian Empire, has proved the opposite of beneficial. To come a little closer to the question of preferential trade itself, I cannot see how, with any sense of self-respect, we could pass a resolution asking the British people for further concessions in respect of whatever we may do in this direction. It would be the height of meanness to call upon the people of the United Kingdom to do more for us in this matter than they have done. Their ports are absolutely open to our exports. We are interested jointly with the people of the rest of the Empire in about a fourth of the external trade of the United Kingdom. There is, in addition, a considerable trade of the British Empire which never touches the shores of the United Kingdom. The fleet which protects that trade is supported by taxation upon the slender earnings of the British working classes, which it is now proposed to tax to a still greater extent, in return for so-called concessions to be granted by us. If our true contributions to the navy were based on any proper proportions, upon representation, or even upon our capacity to pay according to wealth or population, it would be measured not by hundreds of thousands, but by millions of pounds.

Mr. EWING.—It would be £4,000,000.

Mr. GLYNN.—Canada does not, at the present moment, pay a cent towards the cost of that fleet.

Sir JOHN FORREST.—And other parts of the British Empire do not.

Mr. GLYNN.—There are doubtless other reasons to be taken into account. I wish as well as I can to impress upon honorable members the great obligations we are under to the mother country in respect of her vast expenditure on naval defence. It is no wonder, in these circumstances, that a prominent labour representative in the old country wrote to the honorable member for Bland stating that the supposed benefits which Australia offered the people of Great Britain in return for preference were illusory, and added—

> Every representative gathering of organized labour, including two trades union congresses, and our own annual conference, speaking in the name of from one million to one million and a half wage-earners, have condemned the proposals with marked unanimity.

Sir WILLIAM LYNE.—Has not a powerful Labour Congress since approved of the proposal?

Mr. GLYNN.—I have read exactly what took place, but I hold that the quotation which I have just read is a strong pronouncement coming, as it does, from a representative of organised labour in the United Kingdom. It is a derogation from our self-respect to ask the people of Great Britain to do more for us than they are doing—in other words, to base our loyalty upon material considerations. If such be the basis of our loyalty, if with some of the Celtic strain in it the tone of British patriotism has sunk in these States so low, all I can say is that we had better import some of those eastern races whom, by our legislation, we profess to despise, to inoculate

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our stock with a little of that temper that teaches men to live and die for an ideal. Canada is gradually awakening to common sense and decency in this matter. She acknowledges, if we may judge from some of her representative speakers, that whatever else is done must be a tribute of gratitude, and not a mean demand for more. The *Toronto Globe* resents, as I shall ask the House to do by passing the amendment which I have foreshadowed, the imputation upon their loyalty and self-respect in the following words:—

Every self-respecting Canadian resents the argument used on scores of platforms in Britain, and published in scores of British newspapers, that Mr. Chamberlain's protectionist policy, even though it may raise the cost of food to millions of wage-earners in Britain, should be adopted by the British people, because it would secure and retain the loyalty of the Colonies.

The Solicitor-General for Canada, Mr. Randolphe Lemieux, speaking at a garden party of the Harron Division of the Willesden Liberal Associations, said in effect that—

Canadians had given the mother country a preference, and intended to keep that preference without asking for anything in return. The Canadians were not going to put their loyalty up for sale. He would apply to the present position the old dictum, "Let well alone." Speaking especially in the French Colony of Quebec, he declared that Canada is loyal, happy, and satisfied to live under the British flag, but if we wished to tighten the tie we should break it.

In a little book published by Montagu and Herbert, two writers who went to Canada some months ago to make a special study of the question, I find it stated that at an electoral meeting attended by ninety accredited French and English delegates, from various parts of Canada, a speech was made on the question of preferential trade by one of the successful candidates. The following is the writers' commentary upon it:—

The adopted candidate, in the course of a lengthy address on Canadian politics, referred to the suggested scheme of Mr. Chamberlain, and none of his remarks were more enthusiastically applauded than those in which, with considerable indignation, he repudiated the suggestion that farming in Canada required any artificial advantages in the British market.

When the proper time comes, I shall there fore move—

That the following paragraph be added :—

(6) The continued loyalty to the Empire of the people of the Commonwealth to no extent depends upon the preferential fiscal treatment of their products on importation into the United Kingdom.

What do the working classes of England who, by bearing taxation, have done so much for the Colonies, request us to do? They simply ask us to leave them alone. They know that the Mr. Chamberlain of 1885 spoke with far greater accuracy than did the Mr. Chamberlain, of 1902, when, referring to the policy of preference and retaliation—to join the Prime Minister of England with Mr. Chamberlain—under its then alias of fair-trade, he said, it meant—

Taxing the food of the people of England in order to raise the rents of the landlords.

That was the statement of the Mr. Chamberlain of 1885, and it also represents the opinion of the *Edinburgh Review*, of October, 1904. It is somewhat reassuring to find that the great periodicals of the United Kingdom, which for so many years have been somewhat antipathetic to the best of democratic aspirations, are now taking up the cause of the people. The *Edinburgh Review* wrote as follows:—

The only real beneficiaries of this policy would be the agricultural landlords. A sum of money equal to the increase of prices, multiplied by the amount of home-grown agricultural produce would be transferred to them from the pockets of the consumers of the produce. This is the main direct result to be expected from the proposed taxation.

I think that very few will be inclined, upon examination, to dispute the accuracy of that statement of the position. To cite a few of the objections to the preferential system, I would point out that, as the Prime Minister said last night, it has been tried, and has failed within the Empire itself. It is also being tried in respect of possessions of some countries of Europe at the present time, but does it indicate that the colonial system of those countries is better than our own? At one time American fish and lumber were excluded from the British West Indies to give Canadians a monopoly of the trade. At the same time the West Indies declared, to quote from an article in the *Contemporary Review* for December, 1903, that:—

We (the Canadians) fleeced them; we retorted that we were fleeced through having to buy their sugar at a fancy price, when Brazil and Cuba were offering a cheaper article; and there was nothing but bad blood between us and them. At last they took the matter into their own hands, and in defiance of Downing-street opened their markets to American competition.

How are we going to work this system? It is impossible to pick out for general treatment a few articles in the way that Mr. Chamberlain has urged. An examination of British imports and colonial exports shows

that it is impossible to have a preference upon a few special articles, inasmuch as none which are at once of general export from all Possessions and foreign countries can be found. A preference in respect of wheat would operate far more beneficially to Canada with its greater productiveness, its proximity to the United Kingdom, and better freights between the United States and Canada and the United Kingdom. The quantities exported differ also. The exports from Australia to England differ in quantity from those from New Zealand and from those from Canada. So that, unless you introduce the wretched principle of differentiation between Colony and Colony, you cannot, under any taxation of wheat, treat them all alike. Thus you will sow at once the seeds of subsequent discontent. The principle approved in the Colonies, so far as it has been affirmed in Australia by any great body of people—and the same may be said for the other places in which the question of preference has been discussed—is to impose greater taxation against the foreigner, but not to lower the existing taxation in favour of Great Britain. That is the policy of the New Zealand legislation and of the Canadian legislation, because, although Canada lowered her Tariff in favour of the mother country, she had previously raised it generally for the purpose. There were two acts. In South Africa the principle which has found favour is increased protection against the foreigner. The Canadian Manufacturers' Association said at one of their representative meetings that under all conditions the minimum Tariff should afford protection to Canadian producers, and they recently passed a resolution affirming that—

While pleased that the Government has favorably considered the necessities of the woollen industry, the Association considers that the measure of protection afforded is insufficient, and does not approve the departure made by the Government in increasing protection by decreasing preference. Such action will probably be misinterpreted in England, whereas an increase in the regular duties would still maintain the principle of uniform preference for British goods.

The woollen manufacturers object to the continuance of preferences. They say that their industry has been threatened with ruin through the severe competition with Great Britain brought about by preference. As a matter of fact, a recent traveller in Canada has said that he found there that the man who advocated preferences generally wished to give them through some other fellow's products. Mr. Chamberlain, ten years ago, saw the weakness of this system, and pointed out that the benefits which the United Kingdom would receive from it were illusory. He stated, as I have already mentioned, that about three-fourths of the external trade of that country is with foreign countries, and that he did not believe that the working classes would consent to the making of a revolutionary change for what they would consider an infinitesimal gain. Yet, with the versatility of some politicians, he now advocates that a change should be made. The method of giving preference, as adopted by Canada, seems to be that advocated by preferentialists out here, if I rightly understand the resolution passed at the Melbourne Town-hall, on the 17th November last, which declared that, while the meeting cordially approved of preferential trade relations between the mother country and Australia, due regard must at all times be paid to the industries of the Commonwealth. We know what that means. I do not propose to examine in detail the conditions of English trade, though, as I have said, only one-fourth of the external trade of that country is with British possessions. As the *Spectator* has put it, the colonists who are to be preferred as citizens number less than one-third of the population of the United Kingdom, less than one-tenth of the white men with whom the United Kingdom deals, and less than one-sixtieth of the world-wide population, which free-trade enables the United Kingdom to approach. Therefore, there is not much from the British point of view in the system of preferences. Then consider what the taxation of raw materials and food means. About 28 per cent. of the imports of raw material, food, and drink—non-alcoholic—of the United Kingdom comes from British possessions, so that over 70 per cent. comes from outside the Empire. Seventy-seven per cent. of her wheat is imported from foreign countries, and so is about four-fifths of her dairy produce. As regards raw materials, £40,500,000 out of a little over £41,000,000 worth of cotton is imported from outside the Empire. We have been told by Mr. Chamberlain of a preference of 2s. a quarter in favour of colonial wheat. We know what a preference of that sort must lead to. Are the farmers of the United Kingdom likely to be satisfied, if the principle is once introduced, with a duty of 2s. a quarter, seeing that the rate in France

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is over 12s., and in Germany, 8s.? Mallock, writing on this question, has said that it would be futile to expect any results from duties of less than 14s. a quarter on foreign wheat, and 12s. a quarter on colonial wheat. That is the kind of preference which I think will not recommend itself to the farmers of Australia. Do not honorable members acknowledge that under these conditions of trade, there must be taxation of raw materials and food? Have they seriously considered the result in loss of employment, and in lower wages, to the masses of England, which must follow from the adoption of this policy? Do they know what a contraction of employment, or a diminution of pay, would mean to the masses of England, who, while their wages may perhaps be the highest in Europe, have to earn them amidst the din of manufacturing centres, and very often in the pestiferous surroundings of city slums? Do honorable members realize what it must mean to a man who, on wages of 25s. a week, has to support a family of six, to meet the many little innocent importunities of his children with an eternal negative; what it must mean to the sweated seamstress in her garret? And can they then say that a policy which means such an exploitation of the wages of the poor contains in it any source of healthy inspiration? I regret that our patriotism has been put before the Home people in such a way as to make it appear that we are asking the English masses to go back, as some have said, to the days of the corn laws, to the times described by Mr. Chamberlain in 1885, as times when protection starved the poor, and the country was brought to the brink of revolution. He said then that that was not a retrospect which would be favorable to any party or statesman who should have the audacity to propose that we should go back to those evil times. Still, he now seems to have arrived at that point of reprobation himself. The venerable George Jacob Holyoake, writing recently on this policy, says that the condition and dietary of the poor under protection seems incredible now, and will be to many of this generation. Let us look at the Australian trade. Why should we endeavour to hamper our growing trade with foreign countries? If we send our exports to Germany, does it not enable them to go further in realizing sums to pay interest than if they were sent direct to England? We send to Germany, because the purchase money paid there is greater, the demand being greater, than we would obtain elsewhere. The purchase money obtained at times by certain of our exports there is greater, and, consequently, we obtain greater power for the payment of interest. If England wished to give a bigger price, the export would go there. As a rule, an indication is given of where the greater price is paid by the direction in which the conditions of commerce send produce. It would be cutting down our power to pay interest to block the avenue of trade *via* foreign countries. We have a growing trade with foreign countries, and a profitable one, and it should not be imperilled. In 1901 our total exports and imports amounted to £109,000,000. £82,000,000 of that trade was done with British possessions, so that in respect of our trade the Empire cannot be in a bad way, as I think the honorable member for New England will show, when he speaks, by most carefully compiled statistics. The total volume of our foreign trade is £28,000,000, but it is a growing trade. In 1883 almost all European trade was done with the United Kingdom. In the decade ending in 1891, the increase of trade with the United Kingdom was 27 per cent., and with foreign countries 120 per cent. In the decade ending in 1901, the increase with the United Kingdom was about 5 per cent., and with foreign countries about 74 per cent. Take the wool trade. While in 1881 we exported only £53,000 worth of wool to Germany, in 1902 the exportation reached £4,750,000. Our general exports to Germany in 1902 were over £6,000,000 worth, and it may comfort our protectionist friends to know that we imported from Germany only £2,250,000 worth. I do not wish to go into an analysis of that trade, but the figures which I have given indicate a sound and healthy condition, and show that it is profitable alike to Australia and to Germany. Mr. Chamberlain originally asked, as part of his policy, that we should not start any new industries which might interfere with British exports. Are the preferentialists of Australia ready to accept that suggestion? Mr. Chamberlain is a man who sometimes speaks rather hastily. He made that suggestion in early speeches, but when he published those speeches, he cut out the paragraphs referring to the stopping of colonial manufactures. Therefore I suppose his original policy may be regarded as receiving his own denunciation by the sinister method of omission. He knows the reason why some

British imports have not kept up the old proportionate rate of increase. When some years ago he asked for an explanation, he was told by the Collector of Customs in New South Wales that—

The Colonies of Australasia are gradually increasing their manufactures, and any falling off in the importation of British-manufactured goods is to be accounted for by the development of Colonial industries, and not by the importation of similar goods from foreign sources of supply.

Nevertheless, Mr. Chamberlain recently asked that we should stop initiating any new industries which might compete with British exports to us. Has England really shown such symptoms of decline as to necessitate this so-called stimulus to her commercial prosperity? Has she passed the meridian of her commercial greatness? I cannot see any indications of her coming decrepitude. In 1902 her imports amounted to £528,000,000. Her exports, exclusive of ships, amounted to £227,552,000. Four-fifths of these exports were manufactured, or partly manufactured, articles, and I may mention in passing that England built more ships last year than France, Germany, and the United States combined. As it is pointed out by Mr. Spender in the article in the *Fortnightly Review* from which I have quoted, we were told years ago by Mr. W. R. Greg, in an article entitled the "Warnings of Cassandra," that two-thirds of British industry and population must disappear, and that the vast proportion of British imports then paid for by millions of exports would have to be foregone or purchased by other funds. We see what the trade of Great Britain is now. It was stated by Sir John Lubbock, in a recent lecture, that in 1903 the trade of Great Britain was the largest that was ever transacted by any country in the world, and that in this year it showed a substantial advance. In 1902 Mr. Chamberlain himself, speaking at Birmingham before he went to South Africa, said—

I see no signs of any imminent or pressing danger to the prosperity of this country. During the past five years we have been engaged in building up an unparalleled condition of trade, and although we cannot expect that this will last for ever, although there are some signs that trade is not so brisk as it was, still, to my mind, the prospects are extremely good, and I am not at all disposed to take a pessimistic view of the situation.

He went to South Africa, and he came back converted to the opposite opinion.

Mr. EWING.—He had become educated.

Mr. GLYNN.—I do not appreciate the education of a politician who has such a variety of moods as has Mr. Chamberlain. I prefer to think that some bias had been given to his judgment by the condition of affairs brought about by his policy in South Africa. I should like to again refer to the article from which I quoted at the beginning of my speech, published in the *Spectator* of October 1st, 1904. In speaking of the true basis of Imperialism, as one which should be in sympathy with colonial nationalism, the *Spectator* said—

Once teach the people of the mother land and of the daughter States the false, the sinister, the despicable lesson that the Empire is worthless unless the nations which form it can show, or think they can show, some definite percentage of gain, and the ruin of our Empire, like all the Empires of the past, is only a question of time. It is this sordid lesson that Mr. Chamberlain—blind, alas! to what he is doing—is striving with all his energy and all his splendid powers of eloquence to teach the people of the Empire. Heaven grant he may fail, and that the people of the Empire, alike here and over-sea, may learn that the only sure foundation of Empire is the spirit, not of monopoly, but of freedom; not of grudging calculation and greedy materialism, but of that trustfulness and goodwill which in the affairs of nations, as well as of men, is always sure to prove the highest self-interest.

We must remember that this question is too complex for precipitation, too serious for party tactics, too closely associated with the destiny of a great Empire, to be degraded to the level of issues raised by those whose patriotism is mainly inspired by a self-regarding solicitude for the main chance. It was said of old that the spoken word could never be recalled. We cannot perhaps say that this step backwards in the development of Inter-Imperial relations can never be retraced, or that we are setting, without chance of retrieval, the rich main of Imperial integrity upon the hazard of a doubtful policy; but at least it becomes us, as politicians, with our infinite capacity for making mistakes, to approach this question with caution and humility; with a due sense of the possibly fatal consequences of tampering with the delicate organization of a vast Empire, whose strength is due to the comparative freedom it has lately enjoyed from the meddling omniscience of statesmen. I beg to move the amendment of which I have given notice, namely—

That the following paragraph be added:—(6) The continued loyalty to the Empire of the people of the Commonwealth to no extent depends upon the preferential fiscal treatment of their products on importation into the United Kingdom.

Sir WILLIAM LYNE (Hume).—I recognise that at this particular stage of the session, after ten months of weary debating, honorable members are perhaps not in the most favorable frame of mind for the discussion of this important subject. I have listened with great interest to the speeches which have been delivered by honorable members, and, if I may be permitted to say so, the deliverance of the honorable and learned member for Ballarat, eloquent as it was, appeared to me to be somewhat inconclusive. I think it is our duty to let the people of England know what we mean. In connexion with such an important question, we should not leave matters in a nebulous state, and I have therefore given notice of an amendment which will have the effect of directly indicating what is aimed at. I do not propose to enter upon details at this stage, but I shall be as brief as possible under the circumstances, because I recognise the desirability of having a vote taken. I have taken considerable interest in this matter for a long while, and, if time had permitted, I should have wished to speak at considerably greater length. I propose to refer to some of the more important points mentioned by the Prime Minister. I cannot conceive of this question being regarded as of a non-party character. If ever there was a question which must sooner or later—probably sooner—partake of an acute party character, it is this one. Even the Prime Minister recognised that the majority of honorable members were sent into this Chamber to support the proposal for preferential trade.

Mr. POYNTON.—Which proposal? We have had so many brands.

Sir WILLIAM LYNE.—Perhaps the proposal before us is not so distinct as it might be, but the Prime Minister acknowledged that the majority of electors had declared themselves in favour of entering into preferential trade relations with the Empire.

Mr. LONSDALE.—What do the electors mean by preferential trade?

Sir WILLIAM LYNE.—I shall try to show what I mean, and what I believe the majority of the electors mean. In support of my contention that this cannot long remain a non-party question, I would point out that the majority of the free-traders in the House are opposed to preferential trade, and that, with one or two exceptions, the protectionists are in favour of it. Even the Sydney *Daily Telegraph*, which is a special organ of the party led by the Prime Minister, admits that this is distinctly a party question. In commenting upon an attack made upon me by the right honorable gentleman, who accused me of having lowered this question to the level of party politics, the *Daily Telegraph* took the view that it was monstrous to say that the preferential trade question was of a non-party character. It pointed out that it was one of the strongest party questions that could be conceived. The Prime Minister has announced that he is quite prepared for preferential trade upon the basis of a revenue Tariff, but that he is not willing to build a wall against the foreigners in favour of Great Britain. That is really the whole question at issue. The right honorable gentleman also quoted from Mr. Chamberlain's speeches to show that underlying his ideal of preferential trade was the union of the Empire and the imposition of larger burdens upon the Colonies, in order to enable the Imperial authorities to meet the very heavy expenses now incurred in connexion with the defence of the Empire. To a certain extent, no doubt, the ideas referred to underlie Mr. Chamberlain's proposal, but his main object is to draw the different parts of the Empire more closely together, and to counteract those influences which are now causing the trade of Great Britain to decline in comparison with that of other nations. In nearly every speech, Mr. Chamberlain has quoted unanswerable figures with regard to the declining trade of Great Britain. I do not for a moment mean to say that Great Britain has gone back, but the statistics show conclusively that she has not kept pace with the other nations of the world. Mr. Chamberlain was convinced by what he saw in South Africa that Great Britain must look to herself, or her rivals would outstrip her. We all desire to knit together more closely the ties which bind us to the Empire.

Mr. LONSDALE.—The honorable member wishes to get what he can out of the Empire.

Sir WILLIAM LYNE.—There are two stand-points from which this matter may be viewed—the stand-point of sentiment and that of business.

Mr. LONSDALE.—The honorable member views it entirely from a business standpoint.

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Sir WILLIAM LYNE.—I regard it from both points of view. I claim that by entering into a proper scheme of preferential trade with Great Britain, we shall improve our business relations and increase the attachment which exists between all parts of the Empire. I believe that to-day a stronger feeling exists in favour of the unity of the Empire than has ever previously been entertained. That fact was evidenced very plainly by the action of the self-governing Colonies in connexion with the South African war. We have no reason to anticipate a weakening of those ties. In addressing himself to this subject last evening the Prime Minister went back 100 years in history with a view to show the marked advance which Great Britain has made. The right honorable gentleman went back to the period when the mother country was laying the foundations of her greatness—to the time when she had a protective policy. It was under protection that Great Britain built up the manufactures which have stood to her so well ever since. What we desire to do is to ascertain whether, under a scheme of preferential trade, we cannot secure a little more of the trade of Great Britain.

Mr. LONSDALE.—No preference will ever give us that.

Sir WILLIAM LYNE.—I am speaking for Australia, but the Prime Minister seems to speak entirely from the stand-point of Great Britain. It is said that at the present time we do not supply more than 5 per cent. of the food stuffs imported by Great Britain, and I am sorry that that should be so.

Mr. LONSDALE.—What prevents us from supplying more?

Sir WILLIAM LYNE.—The competition of other nations.

Mr. LONSDALE.—The honorable member wishes to shut other nations out of the English market. Surely there is plenty of room?

Sir WILLIAM LYNE.—The honorable member is quite wrong. Up to 1892, the supply of produce imported by Great Britain from Australia was astonishingly small.

Mr. LONSDALE.—Because of the droughts.

Sir WILLIAM LYNE.—No doubt the droughts constituted one reason for that, but they are not the only or the principal cause of the trouble. Up to 1892, the home crop supplied 20 per cent. of the food stuffs of Great Britain; Canada, 13 per cent.; other British Possessions, 10 per cent.; the United States, 45 per cent.; and European and Mediterranean countries, 8 per cent. Australia supplies barely 5 per cent. of the food consumption of Great Britain.

Mr. POYNTON.—Yet the honorable member would tax the other 95 per cent.

Sir WILLIAM LYNE.—The adoption of a scheme of preferential trade does not necessarily involve increased taxation to the people of Great Britain, but it does mean increased employment to our own population. In Australia, we have, within the rainfall area, 20,000,000 acres of the very finest agricultural land, which is capable of producing immense quantities of food stuffs for Great Britain. At present, not one-tenth of that land is under tillage. I repeat that 45 per cent. of the food stuffs of the mother country are being obtained from the United States. Why should not a large portion of that percentage employ our own people in Australia? Canada is doing all that she can to supply the needs of Great Britain, and I cannot see why it is not possible to increase production in Australia without subjecting our own farmers to keener competition, except in a few insignificant cases, by imposing a higher duty against the foreigner than exists at present. What was the origin of the action taken by Canada in this connexion? The trade between Great Britain and that country was declining in a very marked manner up to the period when a preference was granted to the former. Since then it has increased enormously. I wish to quote a few figures which will show what has been the effect of the adoption of a system of preferential trade. In 1890 the imports of apparel and haberdashery into Canada were valued at £623,135. In 1897, which was the year prior to the adoption of the preferential trade scheme, their value had declined to £396,228, but in 1902, under the Preferential Tariff of 33 per cent., it had jumped to £528,387. Upon cotton goods the increase is still more marked. In 1890 the cotton goods imported were valued at £644,765. In 1897 their value was £727,000, and in 1902, £1,309,000. Similarly in 1890 the imports of metals were valued at £1,700,000; in 1897 they had declined to £624,000, but in 1902 they

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were worth nearly £2,000,000. The same increase is noticeable in regard to silk manufactures, and woollens and worsteds of all kinds. The value of the imports of the last-named class of article increased from £1,200,000 in 1890, to £1,800,000 in 1902. I quote these few figures with a view to show the effect of the competition of other countries upon English manufactures. As has been pointed out so ably by the present Treasurer of Canada, the system of granting a preference to Great Britain must be continued, and a reasonable Tariff retained, otherwise the dumping, which had been previously carried on for the purpose of wiping out local industries, would be continued to an extent which would be positively alarming. I now propose to discuss the question of what we can do in connexion with any such scheme. We can increase existing duties against the foreigner. Under present conditions, we cannot, in any way, seriously reduce the present duties in favour of Great Britain, and at the same time protect native industries. I claim, however, that Great Britain would be benefited by the increase of production within her Colonies, as well as by drawing nearly all her supplies from those countries instead of from other nations. In return, the self-governing Colonies would take more from the mother country in the shape of manufactures. That is where an advantage would be conferred upon the English manufacturer. At the present time, we import an enormous quantity of machinery from the United States, and in exchange that country imports very little from us. Similarly we purchase a large quantity of machinery and other things from Germany, and in return that country takes but little from us with the exception of wool. If the English manufacturer supplied us with a great proportion of the manufactures which we at present obtain from the United States and from Germany, the mother country would reap a rich harvest. Even supposing that the preference which Mr. Chamberlain proposes to allow to our products did slightly increase for a time the price of food to the consumer, I am satisfied that manufacturers, labourers, and others, who would secure increased employment as the result of the diversion to Great Britain of trade which is now carried on by Germany and the United States, would be in a much better position than they are at present. I hold, however, that the carrying out of this scheme would not increase the price of food. No duties would be placed on Australian foodstuffs.

Mr. POYNTON.—Of what advantage would that be to Australia?

Sir WILLIAM LYNE.—We should have the advantage of enjoying a preference in the British market, and it would be our home market, which is the best of all markets.

Mr. POYNTON.—Does not the honorable member think that the five-sixths would regulate the one-sixth?

Sir WILLIAM LYNE.—It might do so, but I am certain that we should gradually increase our output from one-sixth to, perhaps, one-half of the total requirements of the United Kingdom, and should then be able to exercise a dominating influence.

Mr. POYNTON.—In the meantime, however, the cost to the consumer would be increased.

Sir WILLIAM LYNE.—Not to any material extent. Even if the scheme resulted in a slight increase in the price of food in Great Britain, those employed in manufacturing would be able to bear it, because they would be able to obtain employment, which is not at present forthcoming. It is nonsense for the honorable member to argue that a great deal of the trade of Australia is not going to other countries. What do we see as we travel from place to place? As I journey to different parts of my constituency—which embraces an agricultural district—I see a great deal of American agricultural machinery in use. Scarcely any British agricultural machinery is being distributed.

Mr. WILKS. — We see waggon-loads of Sunshine harvesters going to New South Wales.

Sir WILLIAM LYNE.—They are made in Victoria. I am speaking, not of colonially-made machinery, but of machinery which comes from other parts of the world. In my opinion the machinery that we do not make for ourselves should be obtained from Great Britain.

Mr. POYNTON.—English manufacturers have never attempted to compete with manufacturers in other parts of the world in the matter of agricultural machinery.

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Sir WILLIAM LYNE.—Why should they not endeavour to do so? Surely they have sufficient intelligence, and most of the necessary raw material, to enable them to cope successfully with foreign manufacturers? Of course, I recognise that the distance of Australia from Great Britain is prejudicial to the efforts of British machinery manufacturers to secure our trade in this respect.

Mr. POYNTON.—The distance is not very much greater than is that separating Australia from the United States.

Sir WILLIAM LYNE.—It certainly is greater. Once we arouse a healthy sentiment as between the workers of Great Britain and Australia we shall quickly succeed. Our object is to obtain all that we cannot make for ourselves from the manufacturers of Great Britain, and so increase employment there, while in return Great Britain will give us a preference that will give our people increased opportunities to till the land, and so to supply the wants of the people of the old country to a far greater extent than at present. The Prime Minister asserted last night that there was really nothing in the question, "Where will Great Britain obtain her food supplies in time of war?" I join issue with him, for in my opinion the point is one of the utmost importance. I do not think that there is any probability of a war between Great Britain and the United States, from which the mother country at present derives 45 per cent. of her food supplies; but what would be the result of an outbreak of hostilities between the two countries, if Australia and the other parts of the Empire were not growing sufficient food to satisfy the demands of the United Kingdom? In that event, where would England obtain her supplies? In reply to an interjection, the Prime Minister asserted that other nations would furnish them. At the present time, however, both the Japanese and the Russian forces in the Far East are experiencing great difficulty in obtaining the necessary food supplies, and it seems to me that England would find herself in a like position in time of war, unless she could satisfy her needs from within the Empire. It is highly desirable, therefore, that she should be able at all times to depend upon obtaining her food supplies from her Colonies. Advocates of preferential trade are frequently confronted with the argument that a large portion of this continent can never be devoted to agricultural purposes. I do not altogether agree with that contention. I am in a position to say that large areas of land have recently been put under the plough, the enhanced value of property requiring that a greater return shall be received from these lands than has hitherto been the case. But if we had a steady market in Great Britain, where we should always be able to place our produce, would not our area of cultivated lands be enormously increased? It would be an incentive to the States to give special attention to water conservation. On the fringes of our rivers, where water could be conserved or pumped up for irrigation purposes, we should find the farmers placing larger areas under cultivation than they do at present. The want of a proper water supply during times of drought is the main obstacle in the way of our enlarging the extent of country under cultivation. Australia, as we all know, from time to time suffers from droughts of a very serious character, and at some future period we shall have to turn our attention to water conservation and distribution as being the only solution of the problem of how to keep our lands regularly tilled. Preferential trade, to my mind, will result in increased employment to our people. Mr. Chamberlain, in one of his speeches, points out that the increase of employment in Great Britain, consequent on the adoption of this system, would be of a remarkable character.

Mr. WILKS.—Does the honorable member support the scheme because he wishes to help the mother country, or because he desires to help Australia?

Sir WILLIAM LYNE.—I believe that it will be mutually beneficial. I am sure the honorable member would not suggest that, in supporting this proposition, I am looking only to the interests of Australia. I certainly am not doing so, although I do not think we can afford to ignore the interests of the Commonwealth. We should not devote our attention solely to the interests of Great Britain, any more than we should confine our attention to the position of Australia. I believe that an agreement can be entered into which will be beneficial to the producers of Australia, and helpful to the manufacturers of the old country. We could enter into an agreement which would enable us to obtain from Great

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Britain rather than from other parts of the world, all that we cannot produce for ourselves. Mr. Chamberlain said, in the speech to which I have referred—

The Board of Trade assumes that of all manufactured goods one-half the value is expended on labour. I think it is a great deal more; but take the Board of Trade figures—thirteen millions a year of new employment. What does that mean to the United Kingdom? It means the employment of 166,000 men at 30s. a week. It means the subsistence, if you include their families, of 830,000 persons. And now, if you will only add to that our present exports to the British Possessions of 96 millions, you will find that that gives employment, at 30s. a week, to 615,000 people, and it finds subsistence for 3,075,000 persons. In other words, your Colonial trade, as it stands at present, with the prospective advantage of a preference against the foreigner, means employment for three-quarters of a million of workmen, and subsistence for nearly four millions of our population.

The increase of employment in Australia which would result from the adoption of this scheme would be proportionately greater than would the advance which Mr. Chamberlain says would be likely to take place in Great Britain. This is a gigantic proposal, which would be far-reaching in its effects. It would enable us to increase our output of natural products and manufactures, and also to secure an augmented population, such as could be achieved in no other way. I have heard the honorable and learned member for Ballarat dilate upon the desirableness of securing a larger population for Australia, and give strong reasons why we should endeavour to attract people to our shores. But we can never hope to secure an increased population unless we can offer the people something to do when they come here. Our avenues of employment can only be enlarged by extended cultivation of the soil and the development of our manufacturing industries. If we do anything to destroy one or the other we can never hope to see our population grow as it should do. Mr. Chamberlain points out that, as the result of this policy, a greater number of persons would be supported by the growth of British manufactures, while an increased population in Australia would be supported by the consequential expansion of our own manufactures and productivity. The speech delivered by Mr. Chamberlain, from which I have already quoted, is a most instructive one. The Prime Minister last night quoted certain figures regarding the growth of im- [illegible] the British Empire, but I think that the following statement by Mr. Chamberlain gives us the true position. I do not think that any one would accuse him of saying or doing anything that would be detrimental to the welfare of the British Empire, or would suggest that he would knowingly tell an untruth regarding the decline of British trade. He said—

During this period of thirty years, in which our exports of manufactures to foreign countries have fallen 46 millions, what has happened with their exports to us?—

That is a very important question—

They have risen from 63 millions in 1872 to 149 millions in 1902.

Mr. KELLY.—Were not the operations of trade interfered with in 1872 owing to the Franco-German war?

Sir WILLIAM LYNE.—Mr. Chamberlain was speaking of the average for a number of years.

Mr. LONSDALE.—Were not the years 1870 and 1872 boom periods in British trade?

Sir WILLIAM LYNE.—British trade did not then increase to such an extent as to seriously interfere with the average for a number of years. Mr. Chamberlain continues—

They have increased 86 millions. Well, that may be all right. I am not for the moment saying whether that is right or wrong; but when people say we ought to hold exactly the same opinion about things that our ancestors did, my reply is that I dare say we should do so if circumstances had remained the same.

That is a very forcible statement. The world is progressing in every direction. In manufactures, in production, in the output of a better class of machinery, and in science generally the world is going ahead by leaps and bounds, and if Great Britain does not move with other countries its exports will continue to decline. We shall have something in the nature of the decline and fall of the Roman Empire. I sincerely hope, however, that we shall never see anything of the kind so far as Great Britain is concerned. Two or three quotations have been made from speeches delivered by Mr. Chamberlain, with a view to show what is the proposal that he makes to the Empire. It has been said that in one case he expressed a desire to stop further manufactures in Australia. Honorable members, however, should look

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at the correction which he made. When that statement appeared in cold type, he recognised that it was erroneous, and at once corrected it. He said in the course of one of his speeches—

We understand all that——

He was referring to the claim that there is still time to intervene—

and, therefore, we will not propose to you anything that is unreasonable or contrary to this policy, which we know is deep in your hearts, but we will say to you, after all, there are many things which you do not now make, many things for which we have a great capacity of production. Leave them to us, as you have left them hitherto. Do not increase your Tariff walls against us. Pull them down where they are unnecessary to the success of this policy to which you are committed. Let us, in exchange with you, have your products in all those numberless industries which have not yet been created. Do that because we are kinsmen, without regard to your immediate interests, because it is good for the Empire as a whole, and because we have taken the first step, and have set you an example. We offer you a preference, we rely on your patriotism, your affection, that we shall not be the losers thereby.

That is the offer which Mr. Chamberlain makes. Then, on page 40, he says—

You have heard it said that I propose to put a duty of five shillings or ten shillings a quarter on wheat. I propose to put a low duty on foreign corn, no duty at all on the corn coming from our British possessions. But I propose to put a low duty on foreign corn, not exceeding two shillings a quarter. I propose to put no tax whatever on maize, partly because maize is a food of some of the very poorest of the people.

Mr. Poynton.—That is an acknowledgment that duties increase cost to the consumer.

Sir WILLIAM LYNE.—A duty might do so in that instance, but only to a very small degree. Mr. Chamberlain continues—

I propose that the corresponding tax which would have to be put on flour shall be a substantial preference to the miller.

Those are the main points to which he refers. One thing that I think we might expect from Great Britain is the reduction, if not the abolition, of the duties on Australian wines. Australia will be a great wine-producing country, and we should obtain an advantage by the reduction or abolition of the English duties on Australian wine, and their increase on foreign wine. In return, we could take off duties on raw material, which have been imposed for revenue purposes, so far as they affect English manufacturers. But it is absurd to speak of lowering our duties in the way that Canada has done, because, as is well known, the Canadian duties commence at rates between 20 and 30 per cent., and gradually increase, whereas ours commence in some instances at 5 per cent., with a maximum of 32 per cent., and an average of 15 or 16 per cent. Therefore, if we followed the example of Canada, and generally reduced our duties in favour of Great Britain, no protection would be left to our manufacturers. I do not think that it is necessary to make the duties on many of the things which Great Britain would send us higher than they are at the present time. That would be a matter for discreet revision of the Tariff. But we might impose very much higher duties against foreign imports, which would give to Great Britain an opportunity to supply us. I wish now to quote two or three extracts relating to the history of this question. At the Imperial Coronation Conference of 1902, the following resolutions relating to Preferential Trade were carried:—

That this Conference recognises that the principle of preferential trade between the United Kingdom and His Majesty's dominions beyond the seas would stimulate and facilitate mutual commercial intercourse, and would, by promoting the development of the resources and industries of the several parts, strengthen the Empire.

The next resolution, which is in diametrical opposition to the statement made by the Prime Minister last night is this—

That the Prime Ministers of the Colonies respectfully urge on His Majesty's Government the expediency of granting in the United Kingdom preferential treatment to the products and manufactures of the Colony either by exemption from or reduction of duties now or hereafter imposed.

Finally the Premiers undertook to—

submit to their respective Governments, at the earliest opportunity, the principle of the resolution, and to request them to take such measures as may be necessary to give effect to it.

Yet in 1904 Australia has scarcely advanced a step towards the carrying out of this arrangement. That is one reason why we should not allow the settlement of the question to be longer delayed. We should make it a live and active question, and endeavour to ascertain whether the people are ready to carry into effect the proposals of the Conference. What we suggested in regard to New Zealand was that she should

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give a general preference of 10 per cent., an all round reduction of the present duties on British manufactured goods, or an equivalent in respect to lists of selected articles on the lines proposed by Canada, either by further reducing her duties in favour of the United Kingdom—and New Zealand can do that, because she has higher duties than the Commonwealth—or by raising the duties against foreign imports, which is what we want to do, and by imposing duties on certain foreign imports now on the free list. Canada was to further reduce her duties in favour of the United Kingdom, and raise her duties against foreign imports, and by imposing duties on certain foreign imports now on the free list. That was to be over and above the existing 33⅓ per cent. difference. I was surprised, and it is gratifying, to find that the first Australian to suggest the giving of preference to Great Britain was the present Chief Justice of the High Court. In May, 1887, the voice of Australia was first heard in the councils of the Empire on the subject of Imperial reciprocity, and the honour rests with the first Chief Justice of Australia, Sir Samuel Griffith. At the Colonial Conference held in London on the occasion of Queen Victoria's Jubilee, Sir Samuel Griffith, then Premier of Queensland, proposed for discussion—

> Whether it should not be recognised as part of the duty of the governing bodies of the Empire to see that their own subjects have a preference over foreign subjects in matters of trade; and that if any member of the Empire thinks fit, for any reason, to impose Customs charges upon goods imported from abroad, it should be recognised that goods coming from British Possessions should be subject to a lighter duty than those coming from foreign possessions.

In supporting this proposition, he said—

> I contend that the same principles ought to be applied in dealing with foreign nations in matters of trade as are applied in dealing with foreign nations from any other point of view. A man's first duty is to his family, and then to his country; and by country I mean it in the larger sense—the whole British Empire. The first duty of every one of us in every country in the Empire is a duty to the Empire before our duty to any foreign country.

That statement calls to my mind a passage in the speech of the Prime Minister last night, in which he so eloquently described the hardship which Great Britain suffered through giving freedom to her Colonies to impose taxation designed to exclude her imports. The right honorable gentleman forgot, however, that the steps now proposed are to improve the position of the British people. We are considering whether mutual concessions shall not be made to increase the commerce between Great Britain and Australia. Although in the past we have enacted laws to prevent her manufactures from obtaining access to our markets, we are now attempting to do something to better her position. Therefore, the argument of the Prime Minister in that respect falls to the ground. In Ottawa the following resolution was passed in 1894, ten years ago:—

> That this Conference records its belief in the advisability of a Customs arrangement between Great Britain and her Colonies, by which trade within the Empire may be placed on a more favorable footing than that which is carried on with foreign countries.

We arrive here at the vital turning-point—the sign-post at the parting of the ways—one hand pointing to a broad, well-guarded avenue, "To Imperial reciprocity," the other to a descending stony path, "To Separation." I do not think that Australia wishes to separate from Great Britain.

Mr. WEBSTER.—At that time the conditions were different.

Sir WILLIAM LYNE.—At that time the tie which binds the Colonies to Great Britain was weaker than it is at present.

Mr. POYNTON.—There was not much fear of separation in 1894.

Sir WILLIAM LYNE.—There was no agitation for separation then, but the tie between us was not so strong as it has since become. It was the Ottawa Conference which asked that the German and Belgian treaties of commerce of 1865 should be denounced. These treaties, by some oversight or folly which has never been explained, provided that no British Possession would be permitted to make any concession or afford any preferential trade advantages to the mother country, unless Germany and Belgium equally participated with Great Britain. In June, 1896, the Liberals won the elections in Canada, and the Hon. Wilfrid Laurier became Premier in the following month. Sir Wilfrid Laurier was a staunch free-trader, and gold medallist of the Cobden Club, but, above all, though of French descent, he was a devoted son of the British Empire. Attempt has been made to discredit his actions as rather the result of the pressure of public opinion than that of patriotism. I do not think that that is so. I do not wish to quote

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every extract which I have here, but there are one or two which I should like to place before honorable members. The honorable and learned member for Angas stated that the labourers of Great Britain are opposed to Mr. Chamberlain's scheme. Perhaps a great many of them are, and that opposition may be shown at the next elections. But in one or two meetings which have been held lately, as well as in the signatures to a document signed by a large number of labour leaders, I see indications of the fact that they are beginning to modify their opinions on the subject, and I have no doubt that the able action of the leader of the Opposition has had something to do with that. They are beginning to see that it would be a good thing for them to be fed by their brothers in distant lands, instead of by foreigners.

Mr. LONSDALE.—And get £2 a week instead of £3.

Sir WILLIAM LYNE.—The honorable member, as a free-trader, says that the consumer pays, but in most cases it is the foreign exporter who pays for the market which he gets.

Mr. POYNTON.—Why, then, does not Mr. Chamberlain go for a duty on raw material?

Sir WILLIAM LYNE.—That is not a parallel case at all. That particular point is referred to in some utterances of Prince Bismarck, who, in 1875, found it necessary to awaken his countrymen to the danger of unrestricted imports, as Mr. Chamberlain is now doing. Let us see what he said. His opinions are full of interest and instruction since in many respects they were prophetic, and, unlike those of the free-trade seers, his prophecies have been amply fulfilled. Writing on 13th October, 1875, he remarked :—

> Nothing but reprisals against their products will avail against those States which increase their duties to the harm of German exports. The objections raised against such steps in the name of political economy seem untenable for reasons of policy.

On 28th October, 1878, he said—

> The duties raised on foreign imports will either not be borne by the home consumer at all, or such duties will be borne by him to a small extent only. These duties will diminish the profit which the foreign producer has hitherto made from us, and will, perhaps, also affect the middleman.

In November, 1878, with great wisdom and foresight, he said—

> The proposal to impose duties on our imports may be viewed with suspicion by consumers, and chiefly by those consumers who live on their assured income free from care. But the means of those people will also give out, if they do not make up their mind to consider the position of the producing part of the population. If the producing part of the population is impoverished, the whole State is impoverished. Who, after all, is to carry the whole burden of the State? The producer alone?

Again in the same year he observed—

> The return to the principle of protection all round has become necessary owing to the altered economic position of the world. In the revision of our fiscal policy, we can be solely guided by the interests of Germany.

On the 13th April, 1879, he said—

> German fiscal policy, in taking up free-trade, had entered upon a phase during which the well-being of our national industries, and the retention of the home market for the benefit of our own industries, were almost completely left out of consideration.

The policy outlined by that great man, and carried out after his death, has brought about a great increase in the manufactures and production of Germany, and it will compel Great Britain to take steps in the direction of consolidating her great Empire. The exports from Germany in 1872 were valued at £116,000,000; in 1890 at £166,000,000; in 1900 to £230,000,000; and in 1902 to £241,000,000. That shows the wonderful improvement that has been made by that country.

Mr. POYNTON.—What is the position of the working classes in Germany?

Sir WILLIAM LYNE.—It is far better than it was. I do not say that the conditions of life in Germany are as favorable to artisans as they are in Great Britain; but I would point out that a marked improvement has taken place under the protective policy, and that in that regard a greater advance has been made in the United States than in any other country in the world. In 1872 the United States exports were valued at £89,000,000; in 1890 at £176,000,000; in 1900 at £285,000,000; and in 1902 at £282,000,000. The increase in that case is greater than is to be found in any part of the world. We find that the exports of the United Kingdom, not including ships, amounted in 1872 to £257,000,000; in 1890 to £263,000,000; in 1900, including ships, to £291,000,000; and in 1902, also including ships, to

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£283,000,000. These figures show a comparatively small increase. I admit that it is not correct to say that Great Britain is not increasing her trade, but we are justified in stating that she is not making progress at the same rate as are other nations.

Mr. SPEAKER.—Does the honorable member propose to connect his remarks with matter under discussion?

Sir WILLIAM LYNE.—Yes; I am endeavouring to show that other nations have increased their trade to such an enormous extent that it is necessary that some special steps should be taken to secure to Great Britain a larger proportion of the trade which properly belongs to her. In thirty years under protection the exports of Germany increased to the extent of £125,000,000. The exports of the United States during the same period increased by £193,000,000, whereas the exports of the United Kingdom showed an increase of only £26,000,000. I do not wish to weary honorable members by a lengthy discussion of this matter, but I think that the problem here presented to us calls for our most earnest attention. I wish that time would permit of my dealing with this question with greater fullness. I wish to quote a few more figures in answer to those which were given last night by the Prime Minister. These figures are taken from the statistical tables prepared by the Board of Trade, and are as follows:—

UNITED KINGDOM.

(Manufactured and Partly Manufactured Articles.)

—	Imports.	Exports of British Production.
	£	£
1855	22,000,000	85,100,000
1860	29.300,000	124,900,000
1865	43.500,000	153,100,000
1870	57,000,000	182,400,000
1875	72,700,000	201,200,000
1880	83,200,000	198,200,000
1885	83,400,000	188,100,000
1890	98,200,000	228,400,000
1895	107,700,000	195,000,000
1900	145,200,000	224,700,000
1901	142,700,000	221,000,000
1902	148,900,000	227,600,000

I also desire to quote a few figures with regard to the external trade of the Commonwealth. These do not agree with the figures quoted by the Prime Minister. I am indebted to Mr. Coghlan for the very interesting information which is contained in the following table, which shows the direction of the external trade of the Commonwealth in 1891 and in 1902. These will afford us some basis for considering our position. The table is as follows:—

EXTERNAL TRADE OF THE COMMONWEALTH 1891 AND 1902.

Trade with British Empire.	Imports.		Exports.		Total Trade.	
	1891. £	1902. £	1891. £	1902. £	1891. £	1902. £
United Kingdom ...	26,453,841	23,848,562	25,498,010	20,224,491	51,951,851	44,073,053
New Zealand ...	1,793,038	2,749,958	660,213	1,396,211	2,453,251	4,146,169
India and Ceylon ...	982,824	1,323,249	998,320	3,879,771	1,981,144	5,203,020
Canadian Dominion	149,786	346,276	40	33,372	149,826	379,648
Cape Colony ...	373	6,153	171,312	3,781,261	171,685	3,787,414
Natal	...	315	...	2,187,795	...	2,188,110
Fiji	155,067	89,059	122,430	204,793	277,497	293,852
Mauritius... ...	388,529	280,731	107,147	64,176	495,676	344,907
Hong Kong ...	626,882	320,429	484,363	390,178	1,111,245	710,607
Straits Settlements	178,516	118,456	151,143	118,555	329,659	237,011
Other Possessions ...	54,256	150,276	139,464	141,757	193,720	292,033
Totals ...	30,783,112	29,233,464	28,332,442	32,422,360	59,115,554	61,665,824

I find that in 1903 the total imports amounted to £37,811,471; the exports to £48,170,164; and the total trade to £85,981,635.

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EXTERNAL TRADE OF THE COMMONWEALTH, 1891 AND 1902.

—	Imports.		Exports.		Total Trade.	
Trade with Foreign Countries.	1891.	1902.	1891.	1902.	1891.	1902.
	£	£	£	£	£	£
France	359,951	525,937	1,807,905	2,603,336	2,167,856	3,129,273
Germany	1,707,175	2,658,060	859,557	2,543,360	2,566,732	5,201,420
Italy	56,617	163,797	27,956	142,311	84,573	306,108
Belgium	314,434	352,447	1,484,073	1,425,263	1,798.507	1,787,710
Sweden and Norway...	459,046	479,798	...	1,001	459,046	480,799
United States ...	2,558,320	4,989,812	2,754,053	2,714,424	5,312,373	7,704,236
Netherlands and Java	652,517	813,565	92,645	282,451	745,162	1, 96,016
South Sea Islands ...	12,792	128,795	55,963	120,123	68,755	248,918
China	680,328	226,207	30,185	107,071	710,513	333,278
Japan	52,887	354,327	16,485	414,823	69,372	769,150
Other Countries ...	73,874	752,030	581,286	1,128,699	655,162	1,880,729
Total ...	6,927,941	11,444,775	7,710,108	11,492,862	14,638,049	22,937,637
Total British and Foreign	37,711,053	40,678,239	36,042,550	43,915,222	73,753,603	84,593,461

	1903. Imports.	1903. Exports.
Total	£37,811,471	£48,170,164

1903.
TOTAL TRADE.
£85,981,635

I submit these figures, in answer to the tables which were quoted last evening. Even the advocates of preferential trade have consoled themselves with the fact that whilst the exports of British manufactures to foreign countries have been steadily declining, those of the British Possessions have increased, and partly compensated for the loss. But that has not been the case in regard to Australia, for we find that our imports from the United Kingdom have declined from £26,453,841 in 1891, to £23,848,562 in 1902—a decrease of £2,605,279. This is not to be accounted for by any diminution of the total volume of our imports, for they increased from £37,711,053 in 1891 to £40,678,239 in 1902. During the same period, our imports from foreign countries advanced from £6,927,941 to £11,444,775, an increase of £4,516,834. I find also that our exports of wheat, flour, butter, meat, and wine have not increased very much. In 1898, the value of wheat and flour exported amounted to £826,000; but in 1902 it was £1,496,000. Under a system of preferential trade, I claim that our production of wine will be greatly increased. Quoting again from Mr. Chamberlain, I find that he said—

> It remains to ask, "What will the Colonies say?" I hear it said sometimes by people who, I think, have never visited the Colonies, and do not know much about them, that they will receive this offer with contempt, that they will spurn it, or that, if they accept it, they will give nothing in return. I differ from the critics. Do not do this injustice to the patriotism or the good sense of the colonists. When the Prime Ministers, representing all the several States of the Empire, were here this was the matter of most interesting discussion. Then it was that they pressed on the Government the consideration of this question. They did not press—it is wrong, it is wicked to say that they pressed in any spirit of selfishness. They had no idea of exclusive benefit for themselves. No; they had Mr. Rhodes' ideal in their mind. They asked for it as a practical tie which should prevent separation, and I do not believe that they will treat, ungenerously, any offer we may now be able to make to them. They have no such idea, for they have offered you advantages all round. Canada has given you a preference of 33⅓ per cent. South Africa has given you a preference of 25 per cent. New Zealand has offered a preference of 10 per cent. The Premier of Australia has promised to bring before Parliament a similar proposal.

That is the impression which was left on Mr. Chamberlain's mind after the Conference of Premiers, which met in London in 1902. Consequently it seems to me that

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we have a duty to perform in reference to this matter without further delay. Though we cannot offer to the mother country an absolutely free market for her manufactures, we can accomplish a great deal in that connexion by preventing our imports from other countries from increasing, and by throwing a great proportion of our trade into her hands. By that means also we can increase the production of Australia to an enormous extent, and at the same time provide profitable employment, not only for our own people, but also for the people of Great Britain.

Mr. POYNTON (Grey).—I wish to preface my remarks upon this motion by a brief reference to the attitude which has been adopted upon it by the leader of the Opposition. I was very much surprised last night that he should exhibit a desire to force a division upon it without allowing members of his own party an opportunity of expressing their views. It is true that the honorable member has already given expression to his own opinions upon the matter, and that those opinions have been made known throughout the civilized world. But I wish it to be clearly understood that he has expressed merely his own views, and not those which are entertained by the Labour Party. The question of preferential trade has never yet been considered by that party, and when the honorable member submitted to that body his reply to certain trade unionists in the old country, it was clearly understood that he was replying to their appeal in his private capacity. Upon a later date, a further communication was received by him, which partook of the nature of a counterblast to the appeal from the workers across the waters. Subsequently a certain paragraph appeared in the newspapers, upon which I desired to question the honorable member. I wished to ascertain from him whether the statements contained in the following paragraph, which appeared in the *Age* of 24th November last, were correct:—

The manifesto published in the *Age* of yesterday, signed by a large number of pro-preference British trades unionists, sent to Mr. Watson, leader of the Federal Labour Party, in opposition to the anti-preference declarations of Messrs. John Burns, Richard Bell, and Ramsay McDonald, was considered yesterday by the Labour Party caucus. Gratification was expressed that the British unionists who favoured Mr Chamberlain's scheme had not allowed the free-trade appeals to go unanswered, and the existence of a growing sentiment amongst the workers of England in favour of Tariff reform had been demonstrated. After discussion, it was decided to forward to the senders the resolution passed by the caucus last week in answer to Mr. Ramsay McDonald's letter, to the effect that the Labour Party, as such, had taken no corporate action in connexion with preferential trade apart from a promise to discuss the matter with its Liberal-Protectionist allies, with a view to future action. Mr. Watson will probably send a personal acknowledgement of the letter by a subsequent mail.

The resolution referred to was to the effect that the Labour Party had never considered the matter. At the particular meeting referred to, no gratification was expressed in reference to Mr. Chamberlain's proposals. I regret that the leader of the Opposition, having given publicity to his own views, should desire to force this motion to a division, without affording honorable members an opportunity of presenting the other side of the question. It has been stated that the result of the last general elections demonstrated that there is a large majority of this House in favour of granting a preference to the mother country. I ask whether that fact proves anything at all? Is it not bordering upon hypocrisy to blazon it forth to the world that because a majority of honorable members are in favour of granting a preference to British goods, they are willing to grant the preference which is asked for in England today? Let us take the case of the leader of the Government, and of a large number of honorable members who hold similar views. He would reduce the duties which at present prevail. I would ask the honorable and learned member for Ballarat, the Minister of Trade and Customs, and the honorable member for Hume, whether such a proposal would meet with their approval? No doubt, as the result of a combination of those who are in favour of granting preference to British goods, by way of a reduction of the duties which exist to-day on revenue lines, and of those who would grant it by increasing the present duties as against the foreigner, we should have a majority in favour of the motion. But if it were carried by such a combination it would not convey to the people of the old world a true conception of the position, so far as honorable members of this House are concerned. I wish, if possible, to get away from the sentimental glamour of this proposition. I freely admit that, from a sentimental stand-point, the speech delivered by the honorable and learned member for Ballarat was an eloquent one; but when I suggested, by way of interjection, that he

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should come down from his airy flights to practical details he scouted the idea. In his opinion, we have no right to consider the details of the question. We are invited to carry this series of proposals, and to affirm something which a majority of the House really does not desire to affirm. I hold that it is absolutely necessary that we should consider the details of the proposition. No question that has ever been brought before the Parliament of Australia is of greater importance than that which we are now considering, and I hold that it should not be dealt with at the fag end of a session. It is a question that should not be discussed in an almost empty House, when practically half the members of the Chamber, who reside in distant States, have left for their homes, believing that a division on the motion would not be taken. Why all this anxiety to press the motion to a division? The present leader of the Opposition stated, in the course of a speech delivered by him at Wagga, when he held office as Prime Minister, that, in his opinion, we should not take any part in the controversy until the question had been decided by the mother country. He said that he would not raise his little finger to make the fight more difficult on the other side of the world. It seems to me, however, that he has now become entangled in the meshes of Imperial Federation. This proposition has been known by many names. We have heard it referred to as a proposal for fair trade, as preferential trade, as a proposition for an Imperial Zollverein, and we have also heard it described long ago as a proposal for Imperial Federation. In my opinion the last of these is the true definition of the aspirations of those who are behind the movement in the old country. I desire, if possible, to lay bare its underlying principle. Cablegrams from Great Britain have recently informed us that Earl Rosebery described it as a gilded pill designed to throw on the British dependencies the burdens of Empire. That this assertion is correct was made very clear by a deputation which recently waited on the Prime Minister of Great Britain, and represented to him that the incidence of the burdens of Empire should be one of the primary considerations placed before the proposed Conference. If the object of the movement be to compel Australia to share the burdens of Empire—if it be to make Australia share the responsibilities of Great Britain's aggressive policy—the sooner the Commonwealth knows it, the better. If, on the other hand, it is simply a proposal to bring about a better feeling than exists to-day between the mother land and the various parts of the Empire, then no one will wish it ill. I do not know, however, that there is any cause for alarm as to the feeling which the people of any part of the British Possessions entertain for Great Britain. I take this opportunity to deprecate the way in which Mr. Chamberlain has placed the question before British audiences. He has said that unless Great Britain is prepared to do something in the way of granting preference to the Colonies it will mean the parting of the ways. He suggests, in short, that the loyalty of the Colonies depends on their obtaining the proposed preference, and that unless it be granted they will cut the painter. That is a very unfair way in which to state our position, and one that is calculated to cause greater friction between England and the Colonies than anything else could do. In order that honorable members may see the underlying object of this movement, I should like to read a few sentences from a speech delivered by Lord Farrer, and published in a book edited by Mr. Chomley, under the title of *Free Trade versus Fair Trade*. The marginal note of the passage which I shall read is *Imperial and Colonial Ideals.* I venture to think that we all are anxious to know what are the ideals at the root of this movement. Lord Farrer says—

> My second reflection was a wider and more serious one. I asked myself, what this ebullition of Imperial feeling really means. Does it mean that the whole Anglo-Saxon race—I use the word advisedly—shall endeavour to live, act, and feel as if they were one people; that they shall join in spreading free institutions — freedom in thought, freedom in speech, freedom in government, freedom in trade—over the face of the world; and that they shall be prepared, when such interests as these are imperilled, to stand shoulder to shoulder in defence of them? If so, God speed the cause!

That sentiment is one that will be re-echoed by every member of this Parliament if it truly indicates the only object of the movement. But Lord Farrer went on to suggest the ulterior object—

> Or does it mean that England and her Colonies are to enter into a league for the purpose of excluding, brow-beating, over-awing, or fighting the rest of mankind? Does it mean that England is to cease to buy her food and raw materials, and our Colonies their manufactured goods, under

any flag but our own; that English artisans are to be taxed in order to sweep United States fishermen out of the Bay of Fundy, German colonists out of South Africa, or French or German settlements out of the islands of the Pacific, and that, on the other hand, the blood of Canadians, of Australians, and of Hindoos, shall be poured out to help England in filibustering or muddling in Turkey, in Egypt, or in Afghanistan? If this is the object, we shall have need of a new Cobden!

It strikes me very forcibly that that is the true object of the proposal, and that we must consider it from that stand-point. The deputation which waited on the Prime Minister of England the other day put the matter very clearly. It was said that the Colonies were practically receiving assistance for which they were not paying, and that the time would come when "these children" would have to bear their full share of the burdens of Empire. In an able article the *Age* replied very fully to that assertion. It showed that, as the result of our actions, the burdens of Empire had been considerably reduced, and it urged that in this way, as well as by our contribution of £200,000 per annum to the cost of the Imperial Squadron on the Australian Station we were taking upon ourselves a very fair share of those burdens. The question that we have to consider is whether we are prepared, for the sake of the questionable advantage that we should derive from this scheme, to give up to a certain extent the local autonomy which we enjoy—whether we are going to allow ourselves to be trammelled to such an extent that we shall not be able to take action in regard to fiscal matters without consulting all other parts of the Empire. The matter is a very serious one. In regard to the spirit of bargaining, to which Mr. Chamberlain has referred, and the threat that unless certain privileges be conceded to the Colonies they will cut the painter, I should like to read the opinions expressed in Canada a little while ago by representative men. Under the heading of *The Difficulty of Fiscal Union*, the following statement has been published:—

The representatives of the Canadian industries at the Montreal Congress did not conceal their views. The spokesman was Mr. Ellis, a former president of the Canadian Manufacturers' Association. He said—"The new fiscal policy is advocated as a bond of Imperial unity. A preferential tariff on conditions very onerous to the mother country, and not conferring any sensible advantage on the Colonies, is a feeble link, in comparison to the ties of racial sympathy. If these were weak, it were vain to look for a rally round the old flag in the hour of national peril. The true links of Empire are the racial sympathies, the language and literature, the history which we all share, the constitution under which we all live, the religion we all profess. The bonds of such a union are silken bonds, but they are strong and adamant, and they give powerful moral support to the motherland."

I desire now to refer to an article dealing with the same question written by Mr. H. L. Outhwaite, and published in the *Argus* a few days ago. It is headed "Preferentialism in England." The writer deals with the candidature of Sir John Cockburn for West Monmouth, under the auspices of the Chamberlain Tariff Reform League, his opponent being Mr. Richards, a labour candidate, and speaks of the bitter feeling engendered amongst the working classes of England towards the Colonies, because of what seemed to them their association with Mr. Chamberlain's policy. They have been made to believe that it is the Colonies who are forcing on the demand for Imperial preference. The writer says—

It is almost impossible to convey in words to Australians what the question of food taxation means to the workers of England. They know from the dukes and lords and great land-owners who are supporting Mr. Chamberlain what is intended for them. Memories of the past still survive in the old people. Grey-bearded men tell the tale of the loaf at a shilling, of the rye and barley bread, and the 10s. a week wage of "the hungry forties." Statistics of to-day tell the tale of the German workers' rye bread, of the scanty wage, and the fact that the Imperial Bureau figures show that in 1901 there were slaughtered in Germany for human consumption 78,000 horses, comes as a warning to the British workers of what may be their fate if once they surrender the principle of untaxed bread and meat. Down in West Monmouth I heard old men solemnly call on the workers in the name of God "never to allow a tax to be put upon bread," and the appeal always went home. My own experience showed me how great is the wrong that is being done to the cause of unity by the Chamberlain campaign.

Mr. WEBSTER.—I think that there should be a quorum present to hear the discussion of an important question like this. [*Quorum formed.*]

Mr. POYNTON.—The idea that the people of the Colonies are so selfish that they wish to obtain a temporary advantage by imposing duties on the food of the masses of England is calculated to do us more harm than almost everything else would do.

Mr. KENNEDY.—Would it not be better to argue from the Australian stand-point?

Mr. LONSDALE.—The motion is an attempt to force the English Government to do something.

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Mr. POYNTON.—If parties here were prepared to let the people in the old country fight the matter out for themselves, I should not feel compelled to speak so strongly on the subject. It is not right to say that a majority was returned at the last elections to secure preferential trade, if that is interpreted to mean that a majority was returned to support the proposals of Mr. Chamberlain. No doubt a majority was returned in favour of the principle, some to advocate a reduction of the duties on the Tariff, and some to advocate the raising of duties against the foreigners. But we are now asked at the fag end of the session to carry a resolution which, though it really means nothing, will be represented in England to be an expression of the opinion of this Parliament in favour of buttressing up the cause of Mr. Chamberlain. So much has been said about keeping out the goods of the foreigner, that I should like for a moment to consider who would be the parties to the proposed bargain. The British Empire contains only some 53,000,000 white people and 342,000,000 Asiatics and blacks. Is it to be understood that the latter are to be given a preference?

Mr. ROBINSON.—Yes. It is proposed that we should take their tea at a cheaper rate.

Mr. POYNTON.—Does the Australian manufacturer desire that articles manufactured by Tamil labour shall be given a preference here?

Mr. SKENE.—We might give a preference to Indian tea over China tea.

Mr. POYNTON.—I will presently show the hollowness of that proposal. There is to be nothing like an equality of sacrifice on the part of those who enter into this bargain. I am inclined to think that the protected manufacturers of Australia do not object more to the competition of the manufacturers of Germany and the United States than to the competition of the manufacturers of Great Britain. The result to them is the same. I think, too, that they will complain very bitterly if preference is given to the manufacturers of India. Even the protectionists who are speaking in favour of this motion will hardly like that. The further the matter is considered the more difficulties crop up. Therefore, I think an opportunity should be given for a fuller discussion. It would have been criminal to take a vote last night, and thus give it forth to the world that we are in favour of a motion which is in fact a hypocritical one.

Mr. HUME COOK.—The Prime Minister admitted that a majority of the electors are in favour of the principle.

Mr. POYNTON.—I admit that, too; but that is not the same thing as being in favour of the motion. I am prepared to vote for reductions of duties.

Mr. WEBSTER.—Would the honorable member vote for a reduction of the duty on salt?

Mr. POYNTON.—Yes; and for a reduction of the duty on boots, hats, and a number of other things.

Mr. WEBSTER.—Then how would the revenue be obtained?

Mr. POYNTON.—High duties on articles manufactured in Australia do not produce much revenue. The result of some of the duties on the Commonwealth Tariff is to decrease the trade between Great Britain and Australia. Those duties are practically prohibitive. If they were reduced the revenue would increase.

Mr. HUME COOK.—There are no prohibitive duties on our Tariff.

Mr. POYNTON.—The duty on hats is practically prohibitive.

Mr. HUME COOK.—There are more hats being imported now than ever before.

Mr. POYNTON.—I will show, presently, where they come from.

Mr. HUME COOK.—From Italy, chiefly.

Mr. POYNTON.—The preference which we are to receive is a duty of 2s. a quarter on foreign corn, except maize, which, according to Mr. Chamberlain, must not be taxed, because it is the chief food of the poor people of England, and is largely used to feed stock. He admits, therefore, that the imposition of duties makes the prices of commodities higher. Otherwise, there would be no reason for abstaining from placing a duty on maize. Then there is to be a corresponding tax on flour, to give a substantial preference to the millers.

Mr. ISAACS.—Is the honorable member arguing from the British, or from the Australian stand-point?

Mr. POYNTON.—This motion is not to be carried as the honorable and learned member wished to carry it last night. Let us be honest. Let us have no hypocrisy.

Mr. ISAACS.—The question was put honestly to the people, and they answered it.

Mr. POYNTON.—It was not. There were many other issues before them at the

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last general elections, among which this was a mere bagatelle. The big fight was in connexion with the Arbitration Bill.

Mr. McColl.—This was a leading question.

Mr. POYNTON.—I did not hear, or read, of a candidate being asked to express his views in regard to it, though, no doubt, some honorable members used it as a stalking horse. It is so easy to say, "Tax the foreigner," and to obtain sentimental support. We must ever remember that the preference proposed by Mr. Chamberlain means increasing the cost of food to the people of England. I shall not be any party to bolstering up Mr. Chamberlain, and enabling him to increase the cost of living to the masses of England. I want to show the man with whom we have to deal. Mr. Chamberlain tells us that the price of food will not be increased under his policy. He ventures to say that the foreigner will pay the duties. If he believes that why does he not propose to tax raw materials?

Mr. Joseph Cook.—He said that he hoped that the farmers of England would, under his preferential trade proposals, obtain higher prices for their wheat.

Mr. POYNTON.—I have a few quotations from speeches which have been delivered by Mr. Chamberlain. They are not so old, but that they may prove refreshing, even to Mr. Chamberlain. Speaking at Ipswich, on 14th January, 1885——

Mr. Isaacs.—That is a long time ago, so far as preferential trade is concerned.

Mr. POYNTON.—I desire to show the extent to which a man can change his views in order to suit the political exigencies of the hour. At the time of which I am speaking, Mr. Chamberlain was condemning the taxation of food. He said—

The condition of the farmer was never so hopeless, and the state of the labourers was never so abject, as when corn was kept up at a high value by a prohibitative protective duty, when it was 64s., or even rose to 120s. per quarter.

Later in the same year, at Birmingham, he said—

I wonder whether in this vast audience there are any people who have any conception of the state of things which existed forty or fifty years ago? At that time, the whole of the labourers in the agricultural districts were on the verge of starvation. The poor rates in some districts were 20s. in the pound. At the time of which I am speaking, the large towns were described by eye-witnesses, as bearing the description of beleaguered cities, so dreadful were the destitution and the misery which prevailed in them. People walked in the streets like gaunt shadows, and not like human beings. There were bread riots in almost every town. There were rick burnings on all the country sides."

In the same year, at Birmingham, he said—

Do not suffer yourselves to be turned aside at the next election; do not be diverted. The owners of property, those who are interested in the existing state of things, the men who have privileges to maintain, would be glad to entrap you from the right path, by raising the cry of fair trade, under which they cover their demand for protection, and in connexion with which they would tax the food of the people, in order to raise the rents of the landlords. Protection very likely might, it probably would, have these results. It would increase the incomes of the owners of great estates, it would swell the profits of the capitalists, who were fortunate enough to engage in the best protected industries, but it would lessen the total production of the country, it would diminish the rate of wages, and it would raise the prices of the very necessaries of life.

Then again, in connexion with the proposal for the taxation of wheat, speaking in the House of Commons on 12th August, 1881——

Mr. Isaacs.—That is going still further back.

Mr. POYNTON.—But the arguments, if they are good, will not be affected by the passing of a few years. They were considered good enough in those days, and they are considered good enough now. They appeal to me as facts. If we were dependent upon other countries for our food supplies, and a proposal were made to impose a tax upon food, would the honorable and learned member for Indi support it?

Mr. Isaacs.—Is Great Britain always to be dependent upon other countries?

Mr. POYNTON.—She will be dependent upon other countries for many years to come.

Mr. Isaacs.—I should let the British people decide that for themselves, whilst we decide what is best for ourselves.

Mr. POYNTON.—I am quite prepared to allow them to decide for themselves, but I object to the attempt, which is now being made, to force through this House a resolution which has a lie on the face of it.

Mr. Isaacs. — The motion merely expresses our willingness to consider the subject of preferential trade.

Mr. POYNTON.—It is going to be used as a whip with which to scourge those who are opposing the preferential trade proposals in the old country. The resolution will be pointed to as an indication of what Australia is demanding. I object to the action of Mr. Chamberlain in representing from the outset that Australia was demand-

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ing preference. The demand has come from him all along. Now let us see what he has to say about taxes upon food. He was very emphatic upon the subject at that time. Speaking in the House of Commons, he said :—

Is any one bold enough to propose that we should put duties upon food? The honorable member of Preston, no doubt has the courage of his convictions. He has referred to the sacrifices which he would require from the working classes, and he does not hesitate to make the demand upon them, that they should pay an extra price of 10 per cent., upon the most important articles of their daily consumption. Well, sir, I can conceive it just possible, although it is very improbable, that under the sting of great suffering, and deceived by misrepresentations, the working classes might be willing to try strange remedies, and might be foolish enough to submit for a time to a proposal to tax the food of the country; but the one thing I am certain of if this course were ever taken, and if the depression were to continue, or to recur, is that it would be the signal of a state of things more dangerous and more disastrous than anything which has been seen in this country since the repeal of the Corn Laws. With the growth of intelligence on the part of the working classes, and with the knowledge which they now possess of their own power, the reaction against such a policy would be attended by consequences so serious, that I do not like to contemplate them. A tax on food would mean a decline in wages. It would certainly involve a reduction in their productive value, the same amount of money would have a smaller purchasing power. It would mean more than this, for it would raise the price of every article produced in the United Kingdom, and it would indubitably bring about the loss of that gigantic export trade which the industry and energy of the country, working under conditions of absolute freedom, have been able to create.

Mr. SALMON.—Of what proposal was he speaking?

Mr. POYNTON.—He was speaking of the proposal to impose 10 per cent. duties upon food, and the proposal now being made is practically the same as was then advocated. It has been contended by Mr. Chamberlain that the duty now proposed to be placed upon wheat and other food products will not lead to an increase in prices to the consumer.

Mr. SALMON.—Hear, hear.

Mr. POYNTON.—Does the honorable member believe that?

Mr. SALMON.—Yes.

Mr. POYNTON.—Does the honorable member think that if five-sixths of the supplies imported into the United Kingdom were taxed, the one-sixth admitted free of duty would regulate the prices?

Mr. SALMON.—Does not the honorable member know that the last shilling per quarter imposed upon wheat in England did not cause an increase in the price of bread?

Mr. LONSDALE.—It did raise it.

Mr. POYNTON.—Duties on imports fall, as Lord Goschen has shown, upon the consumer. In Germany, the duty upon wheat is 7s. 2d., and the price is 6s. 11d. above that ruling in London. In France, the duty is 12s. 2d., and the price is from 11s. 3d. to 13s. 7d. higher than in the United Kingdom. When the corn duties were repealed, the effect was immediate. The average price of bread for the five years preceding 1849 was 55s. 5d., whilst for the five subsequent years, it was 43s. 5d. Let us endeavour to ascertain upon whose shoulders these duties fall. Lord Brassey, in his work *Fifty Years of Progress and the New Fiscal Policy*, says—

Food taxes will fall heavily upon all consumers, and most heavily on the poorest. Bread becomes the more essential in the ratio of the poverty of the consumer. Those on the verge of starvation can give up tea and sugar. They cannot give up bread. At a time when the necessity of promoting the physical vigour of the people is becoming more and more urgent, it is not statesmanship to check the consumption of wholesome food. In the words of Sir Robert Peel—"If there be, from any cause, a tendency for the consumption of articles of the first necessity much more rapid than the increase of population, the responsibility of undertaking to regulate the supply of food by legislative restraints, and the difficulty of maintaining those restraints in the event of any sudden check to prosperity, or increased price of subsistence will be greatly augmented." So, too, Sir John Gorst—"A number of those who are now above the poverty line would sink below it, and those already below it would sink yet lower. Free importation of food is vital to the physical and moral well-being of the nation, and is, therefore, at the root of true Imperialism. A great Imperial power cannot be founded on a starved and degraded population."

Lord Goschen, speaking in the House of Lords, said—

Who will take the responsibility of saying—"Let us put a tax on food, and I will guarantee that your wages shall be raised?" I say that is a tremendous responsibility, and one which I, for one, would be most reluctant to undertake.

Mr. JOSEPH COOK.—Lord Goschen does not know anything about economics.

Mr. POYNTON.—He probably does not know as much as some honorable members in this House. Germany seems to be the chief point of attack in connexion with these proposals. We hear of the extent to which the markets previously monopolized by Great Britain are being inundated with German goods. When the honorable member for Hume was quoting statistics

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relating to imports and exports he selected a period which would show results most favorable to his own argument. In 1861 our imports from foreign countries were valued at £3,160,888, whilst in 1902 they represented a value of £11,444,775. The countries from which these imports came were Belgium, France, Germany, Netherlands and Java, Italy, Sweden and Norway, China, Japan, the United States, &c. If we look at the table showing our exports to these countries we shall find that they amounted in 1861 to £8,726,852, and that in 1902 they represented a value of £11,492,862. I invite honorable members to look at the despised country of Germany.

Mr. ISAACS.—Germany is certainly not a "despised country."

Mr. POYNTON.—The whole trend of the debate has been in the direction of a condemnation of German goods. From an article, entitled "Imperial Union and Fiscal Reciprocity," which was written by the honorable and learned member for Angas, and published in the Adelaide *Register*, I extract the following:—

> Germany, the bug-bear of Imperial pessimists, is a country with which Australasia has developed a promising trade during the last twenty years. Between 1891 and 1901 the total trade with Germany increased 13.80 per cent.; but as the exports increased 19.69, and the imports only 13.81 per cent., it is a trade that protectionists ought to be the last to attack.

He continues—

> At present, like most of our exports, wool is admitted free; but, should the British Empire differentiate against foreign products, a duty may be imposed. The German returns show an importation of Australian products of the value of, in 1897, £4,283,650; and in 1902, £6,008,550.

These figures show a big increase in the trade of that country. Germany, I maintain, is the last country to which protectionists should point as an ideal one. I have taken the trouble to obtain a few figures in regard to the rate of wages paid there——

Mr. ISAACS.—We are not discussing the advisability of establishing preferential trade relations with Germany.

Mr. POYNTON.—The Minister of Trade and Customs was permitted to refer to the rate of wages paid in various countries last evening. In this connexion, I find that the working people of England may, with advantage, compare their present earnings, not only with those paid in their own country during past generations, but with those now being paid in Germany. For instance, the mean weekly wage in fifteen skilled trades in London is 42s., whilst that paid in Berlin is only 24s. In other towns in England the mean weekly wage is 36s., whilst that in Germany is 22s. 6d. I find that the average annual family income in the cotton trade in the United Kingdom is £115 17s., whilst that in Germany is £62 19s. Similarly, in the woollen trade, the average family income in the United Kingdom is £107 9s., whilst that in Germany is £57 10s. In the steel trade the average family income in the United Kingdom is £122 15s., while that of Germany is £52 2s. The average level of industrial wages in Germany and France is two-thirds and three-fourths respectively of that which obtains in the United Kingdom. Of the 4,000,000 workers in Germany, two-thirds of the number earn less than 50s. per week, 55 per cent. less than £40 per annum, and 85 per cent. less than £1 per week.

Mr. ISAACS.—Has the honorable member a corresponding percentage in the case of Great Britain?

Mr. POYNTON.—I have not. Mr. Chamberlain suggests that though the cost of living may be increased by his protective proposals, the wages of the workingmen will be raised in a higher proportion. In support of this proposition, he appeals to the cases of the United States and Germany. No doubt, in regard to the matter of wages, a very different condition of affairs obtains in the United States, but Germany is about the last country that should be quoted in this connexion.

Mr. SPEAKER.—Order. The honorable member is not in order in discussing that phase of the question.

Mr. POYNTON.—Upon the Prussian States railways, the wages paid vary from 2s. 4½d. to 2s. 6d. per day. The daily wages of general labourers range from 1s. 7½d. to 3s. It is interesting to note, by way of contrast, the wages which are paid in the mother country. In this connexion I wish to quote from the report of the Commission which investigated the depression of trade in Great Britain in 1886. Having referred to statistics, and shown that, exclusive of those engaged in agriculture, the number of those assessed as being liable to income tax were increasing, the Commissioners observe—

> There is a distinct evidence that profits are becoming more widely distributed among the classes engaged in trade and industry. While the larger capitalists may be receiving a lower return than that to which they have been accustomed, the number of those who are making a profit, though possibly a small one, has largely increased.

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Mr. Isaacs.—Was that the Commission which was presided over by Lord Dunraven?

Mr. POYNTON.—I think that it was. The report continues—

There is no feature of the situation which we have been called upon to examine so satisfactory as the immense improvement which has taken place in the condition of the working classes during the past twenty years. The workman in this country is, when fully employed, in almost every respect, in a better position than his competitor in foreign countries, and we think that no diminution in our productive capacity has resulted from this improvement in his position.

The Labour Commission in its final report, which was issued in 1894, expressed an equally reassuring view. Its members stated—

The impression left by the evidence, as a whole, is that among the more settled and stable population of skilled work-people, there has, during the last half century, been considerable and continuous progress in the general improvement of conditions of life, side by side with the establishment of a strong trade custom adapted to the modern system and scale of industry. Experience may fairly be said to have shown that this part of the population possessed, in a highly remarkable degree, the power of organization, self-government, and self-help. Work-people of this class earn better wages, work fewer hours, have secured improved conditions of industrial and domestic life in other respects, and have furnished themselves, through trade unions and friendly societies, with means of providing against the various contingencies of sickness, accidents, and temporary want of employment. The classes who compose the lower grades of industry, regarded as a whole, have probably benefited no less than the skilled workers from increased efficiency of production, from the advantages conferred by legislation, from the cheapening of food and clothing, and from the opening out of new fields for capital and labour. In their case also, the improvement manifests itself in better pay and more favorable conditions of work, but chiefly in this, that of the mass of wholly unskilled labour, part has been absorbed into higher grades, while the percentage of total working population, earning bare subsistence wages, has been greatly reduced.

I wish now to deal with some of the effects of the system of preferential trade which has been adopted in Canada. The honorable member for Hume, in dealing with this matter, implied that a great expansion had taken place in the trade between the Dominion and the mother country as the result of preferential trade. It is rather singular that he should have told only half the tale. The Minister of Trade and Customs last evening, in speaking of British and other imports, fell into a similar error. What is the position? Canada has granted a preference to the mother country upon three occasions. In 1897 she gave a preference of 12½ per cent. to British goods, in the following year she increased that preference to 25 per cent., and in July, 1903, to 33⅓ per cent.

Mr. Wilks.—That makes the preference very small upon the value of the goods.

Mr. POYNTON. — Mr. Chamberlain, singularly enough, made the same mistake.

Mr. Lonsdale.—Is it a mistake?

Mr. POYNTON.—I do not say that the error has been wilfully made. Mr. Chamberlain says—

To put it in a word, the trade between our colony of Canada and the mother country, which was £6,500,000 in 1897-1898, is now carried on at a rate of £11,000,000—probably a good deal more—but I will, to be safe, say of £11,000,000 sterling in the present year; and the increase is chiefly in textile goods—cotton, woollen, and goods of that kind—and in the manufactures of hardware and iron and steel. And, at the same time, whereas the percentage of the total trade had fallen from 40 per cent., I think—or, at all events, from a large percentage—to 23½ per cent., in these last two years it has been gradually climbing up again, and it has now reached for the present year 26½ per cent.

I repeat that it is a singular coincidence that the honorable member for Hume made a somewhat similar statement to-day, but neglected to show the volume of trade, so that honorable members might be in a position to institute a comparison. I have here a table by Lord Farrer, dealing with the imports into Canada, both before and after the adoption of the British Preference Tariff. From it I find, by striking an average for five years, namely, from 1893 to 1897, that, whereas the average Canadian imports from the United States were valued at £11,921,000, they had increased to £23,018,000 in 1901, notwithstanding the Preference Tariff—an increase of £11,097,000. I come now to the figures showing the value of imports into Canada from the United Kingdom. The average for the five years 1893-97 was £7,308,000, while the imports in 1901—after the British Preferential Tariff—were £8,962,000, or an increase of £1,654,000. In the one case the trade between the United States and Canada shows an increase of 93 per cent., while that between the United Kingdom and Canada shows an increase of only 23 per cent. Although the omission on the part of honorable members who support the motion to mention that trade between Canada and the United States has increased to a far greater extent than has that between Canada and the United Kingdom may be due to a simple mistake, it is nevertheless regrettable, for when we are told that the imports into

Canada from the United States have increased four times as much as have those from the United Kingdom, we see at once that the granting of preference has not had the effect which those who support the proposal would imply. It is pointed out in *Free-trade versus Fair-trade* that—

For the year 1902 the Canadian imports for home consumption from the United Kingdom were £10,114,000 against £8,839,000 for 1901; these being the figures given in the Board of Trade returns for August, 1903, and differing from those in the French report taken from the Canadian returns and quoted above. But, in the same year, while exports from the United Kingdom increased by 1·3 millions, those from America increased by 2·1 millions—from £22,702,000 in 1901, to £24,834,000 in 1902. Since 1897, when the preference was instituted, Canada has increased her imports from America by more than £12,000,000; she has increased those from the United Kingdom by more than £4,000,000.

I think that that is a complete reply to the statements which have been made regarding the increase of trade between Canada and the United Kingdom. There has been so much talk about the way in which the trade of the Empire is being manipulated that I think it desirable to quote certain figures bearing on the question. I have here a statement of the proportion per cent. of Great Britain's whole foreign trade carried on with each foreign country. The table deals with the returns from 1870 until 1902, the object of it being to show that British trade is practically holding its own, notwithstanding the advantages possessed by that of other nations. A remarkable feature of the table is that it shows that Great Britain has lost very little of her trade with foreign countries. For the five years ending 1870 the total percentage was 77, in the next five it was 77·3, and in the succeeding five years period it was 75·4. For the following five years period the percentage was 73·7, whilst the percentages for the remaining five years periods were 74·2, 74·9 and 75·4. In 1901 it was 74·8, and in 1902 74·3. The average for the whole period covered by this return is 75·4 per cent. I wish now to show our dealings with the old country during the same period by quoting from a statement of the proportion per cent. of the whole of Great Britain's "foreign trade carried on with each colony." The return gives Great Britain's exports to British North America, British West Indies, Australian Colonies, India, South Africa, and other British Possessions, and it shows that for the five years ending 1870 the total percentage was 23·0. For the five years ending 1875 it was 22·7, while for the following five years' period it was 24·6. It subsequently increased to 26 per cent., and then fell to 25·8, while for the five years ending 1895, the percentage was 25·1. For the two years, 1901 and 1902, it was 25·2 and 25·6 respectively, while the average for the whole period was 24·6. These figures show very conclusively that the old country is not losing her trade with her dependencies, and I think they afford a sufficient reply to the assertions made from time to time that Australia has been deluged with foreign goods, which constitute a menace to the industries of Great Britain. The Board of Trade returns do not prove anything of the kind. Another question which has a very important bearing on this proposal is that of the lines on which we should be able to grant a preference to British manufacturers. What goods do we import, and whence do they chiefly come? The Minister of Trade and Customs recently had a report prepared, a summary of which was published in the *Argus*, under the heading of "Australian Trade." This return shows the export of Victorian manufactures, and is described by the *Argus* as a very instructive one. It is stated that—

At the request of the Comptroller-General of Customs, Mr. T. A. Coghlan, the Government Statistician of New South Wales, has prepared a very valuable statement, analyzing the trade of the Commonwealth for the year 1903.

I thought that the Minister would have referred to some of these figures in the course of the speech which he made last night, and I certainly should be pleased to obtain a copy of the complete return, in order to see if it affects in any way the facts that have been published. The article continues—

Dr. Wollaston has received an advance copy of this publication, and the subjoined figures, which are taken from it, have an interesting bearing upon the alleged fiscal "revival" and the preferential trade campaign.

The return shows the principal imports into the Commonwealth for 1903. I find from it that the value of the imports of apparel and attire was £1,162,449, and that of these goods £983,654 worth came from Great Britain, £79,567 worth from Germany, and none from the United States. The value of boots and shoes imported during this period was £162,580, of which £81,430 worth came from Great Britain, and only £5,586 worth from Germany. The imports of infants' boots and shoes for the year represented a total value of

£52,637, of which £50,053 worth came from Great Britain, and the balance from Germany. The value of the furniture imported during this period was £143,129, of which £47,962 worth came from Great Britain, £29,522 worth from Germany, and £41,696 worth from the United States. This is the first evidence we have of trade with the United States. The imports of hats, caps, and felt hats were of the value of £126,397, and of these £93,087 worth came from Great Britain, £17,568 worth from Germany, and £2,620 worth from the United States. The value of hats, caps, and bonnets imported during this period was £179,180, of which £169,876 worth came from Great Britain, leaving only a few thousand pounds' worth of goods to be accounted for by imports from other countries. These figures show that with one exception the granting of preference would not be of any value to Great Britain, because she already enjoys practically the whole trade in these lines. But I desire to go further than this. It will be remembered that a large deputation recently waited on the Minister of Trade and Customs, and urged that the duty on jewellery should be increased, the complaint being that the Commonwealth was being swamped by importations from various parts of the world. As usual, the cheap goods of Germany came in for much condemnation. But what are the facts? This official return shows that during 1903 jewellery and imitation jewellery of the value of £291,064 was imported into Victoria, and that of this, £251,243 worth came from Great Britain, £19,499 worth from Germany, and £7,778 worth from the United States. The position in regard to leather is somewhat different. That is one of the lines on which a preference might be given with advantage to the British manufacture. I find that the value of the imports of leather, n.e.i., during 1903 was £193,624, and that the imports from Great Britain represented £61,683; those from Germany being of the value of £10,434, and those from the United States, £108,152. The total importation of engines of all kinds into Victoria was equal in value to £407,828, of which £358,511 worth came from the United Kingdom; £3,248 worth from Germany, and £8,190 worth from the United States. The total importation of engines, n.e.i., and parts thereof, was £531,379, of which £352,693 worth came from the United Kingdom, £31,321 worth from Germany, and £137,148 worth from the United States. Our total importation of manufactures of metals, n.e.i., was worth £582,235; of which £453,409 worth came from Great Britain; £56,663 worth from Germany; and £60,848 worth from the United States. In all these cases, practically eleven-twelfths of our trade is now being done with Great Britain. Mr. Chamberlain has spoken of the ruin of the English woollen industry. Our total importation of woollens and articles containing wool, was £1,377,789; of which £1,288,052 worth came from Great Britain; £48,288 worth from Germany; and £744 worth from the United States. These figures speak volumes, and bring us down to the bed-rock of facts. If we gave a preference to Great Britain, only in regard to certain classes of machinery and leather, her gain would be practically nothing; whereas, if we proposed to reduce our duties in order to give her an advantage in regard to other lines, the protected manufacturers of Australia would be up in arms at once. I wish now to deal with the question of food supplies, and to show what a comparatively small proportion our exportations to England form. In 1902, there were imported into the United Kingdom, £132,000,000 worth of foreign corn, including barley, rye, oats, and maize; £20,000,000 worth of which came from the Colonies and from India, whereas about £158,000,000 worth was produced in Great Britain and Ireland. A tax on the foreign importation would raise £3,300,000. Assuming that the Colonial and Indian growers got their share, it would come to £700,000. I have my doubts as to whether they would get that amount, though I have no doubt that the English consumer would have to pay it, because the price of grain in England would be regulated by the great bulk of foreign trade. In my opinion, the middle-man would derive the benefit. It is estimated that the consumer would have to pay £8,000,000 extra. A balance of £4,000,000 would go into the pockets of the British landlords. The total quantity of butter, cheese, and eggs consumed in the United Kingdom in the same year was £26,000,000 worth from foreign countries, and £7,000,000 worth from the Colonies. A tax of 5 per cent. on that importation would produce £1,300,000 worth, and it is assumed that the Colonies would benefit to the extent of £350,000

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worth. But the writer from whose work I have taken these figures says—

If our own produce of the same articles amounted to the same sum—and it is supposed to be a great deal more—the price of that will rise equally, and an extra £1,650,000 worth would go to the agricultural interests, that is, to the landlords.

In 1902, there were imported into England £27,000,000 worth of wheat, of which British Dependencies supplied only £7,500,000 worth. A tax on this importation would work out at between £7,000,000 and £10,000,000. Mr. Chamberlain, however, proposes to make compensating allowances. He intends to reduce the duties on coffee, cocoa, tea, and sugar. But if the duty on tea were reduced, what advantage would the Indian grower have over the Chinese grower? None at all. The sacrifice made by the various parts of the Empire would also be very unequal. Canada would benefit to a greater extent than Australia or any other British dependency, it being estimated that she would receive 50 per cent. of the benefit, while New Zealand would obtain 30 per cent., and Australia 20 per cent. I do not contend that the division of benefits should be adjusted to a nicety; but I believe that, as suggested by the honorable and learned member for Angas, these differences will create a great amount of friction. Something has been said about the trade of England falling off, and her industries failing.

Mr. EWING.—Is the honorable member prepared to give a preference in regard to salt?

Mr. POYNTON.—It is hardly worthy of the honorable member to make such an interjection when we are dealing with a great national question. I would reduce the duty on salt, which is now 12½ per cent., without any bargaining; but would the honorable member, who is boiling over with patriotism and preference, consent to a reduction in the duty on sugar? I would take duties off a number of articles. But I cannot subscribe to the principle that the Empire must live wholly within itself—that we should not take goods from any other country. Mr. Coghlan's statistics show that Australia sends more away to foreign countries than she imports from them. It is said that a number of English industries are in a bad state, but in a work entitled *Fifty Years of Progress*, I find that the British and Irish exports in 1891 were £280,000,000 odd; in 1902 £283,000,000 odd; and in 1903, £290,000,000 odd—an increase in two years of £10,868,000. Then the iron trade in 1901 represented £25,000,000; in 1902, 28·8 million pounds; and in 1903, 30·8 million pounds. Machinery and metal work in 1901 represented 17·8 million pounds; in 1902, 18·7 million pounds; and in 1903, £20,000,000. Cutlery and hardware, in 1901, represented £4,175,000; in 1902, £4,384,000; and in 1903, £4,636,000. In every case there has been a steady increase. In cottons, woollens, and textiles, during the same three years there was practically no difference, the figures standing at about £73,000,000 in 1901 and 1903. As the writer points out, these figures are remarkable in view of the fact that the cotton industry was placed at a great disadvantage during the last year owing to the shortage of the raw material. In glass manufactures there was an increase, and in chemicals an increase of £7,000,000 worth, whilst the exports of refined sugar practically doubled. So, right through the piece, there is ample evidence that the trade of the old country is not falling off to the extent that some people would have us believe. There are various ways of gaining support for the proposals which Mr. Chamberlain is advocating. Among other things, he has promised to introduce a system of old-age pensions.

Mr. LONSDALE.—First starve the people, and then give them pensions.

Mr. POYNTON.—A writer in the *Westminster Popular* of 1903 puts the case very amusingly. He says—

The inconsistencies of Mr. Chamberlain's proposals have been admirably exposed by a correspondent whose letter was published in the *Standard* of 4th June. A number of horses, as he well says, have been entered for the Preferential Stakes. Among them are :—

1. The increase of British-Colonial trade.
2. The diminution of the import of foreign manufactured goods "dumped" into these islands.
3. The substitution of colonial food and raw materials for foreign products of the same character.
4. The consequent increase of the Colonies in industry and population.
5. The protection of native industries, especially agriculture.
6. The institution of retaliatory Tariffs in order to compel foreign States to admit our products on more favorable terms.
7. The "widening of the basis of taxation," so as to obtain sufficient revenue for old-age pensions and other benefits on the working class.

The correspondent says that the realization of No. 3, which is the substitution of colonial food and raw materials for foreign products of the same character, would be fatal

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to No. 7. Mr. Chamberlain's idea was that if the British public allowed themselves to be taxed, and paid more for their food, they should as a set-off be granted old-age pensions. If, however, the colonial food and raw materials were substituted for foreign products, there would be little or no revenue with which to pay the old-age pensions. A number of the other propositions would prove also mutually destructive. I should like to refer to Mr. Chamberlain's attitude upon the old-age pension question. He has frequently changed his views. It is many years ago since he advocated old-age pensions. He recently declared that he had done with old-age pensions. On the 17th May, 1901, he told the Oddfellows at Birmingham that that matter had been made, what it never should have been, a subject of party controversy. Again, on another occasion, he said that it was false that he had ever promised old-age pensions. On 6th January, 1902, he declared that nothing could be done until a practical scheme was put forward by somebody. That is our position in connexion with this question. I venture to say that nothing can come of this proposal until we know what is actually required in the United Kingdom. We ought to allow the people of Great Britain to settle the matter for themselves. We should not permit ourselves to be used as a means of coercing them. The resolution now before us means absolutely nothing. No one could say that if it were carried it would indicate the real feelings of honorable members, or how far they are prepared to go in the direction of reducing duties, or giving preference. The Minister of Trade and Customs, in the course of his recent speech, said that there were a number of items upon which we could reduce duties in favour of Great Britain. I asked him if he could think of one such item, and I would ask other honorable members whether they are prepared to make any such reductions, and if so to inform me what they are? It is only fair to Mr. Chamberlain that we should be perfectly frank with him, and that we should not pretend that the motion conveys something more than we really mean. It will probably be represented that the resolution passed by us expresses an intention on the part of Australia to do what no one is prepared to do. I should like to know how far honorable members are prepared to go in granting preference. When we come down to the practical basis of this motion, we realize what a lot of fudge is being talked in regard to preference. I do not suppose that the honorable member for Melbourne Ports would consent to a reduction of the duties upon hats, nor do I for one moment imagine that those who are interested in the manufacture of boots would be willing to submit to a reduction of the duties upon those articles. Then, again, would those who are interested in the manufacture of machinery, and who are now complaining of the extent to which our iron industries are being interfered with by foreign imports, be prepared to reduce the present duty, even in favour of the mother country? Are they not anxious to secure an increase? What hypocrisy it is then for us to say that we are prepared to make concessions to British manufacturers. What led up to the appointment of the Tariff Commission? Was it not the demand for higher duties? Are we, in the face of that, to represent that we are prepared to assist the landlords of the old country to carry a proposal which would impose further burdens upon the starving poor? It does not become us to countenance any such proposal. I feel very strongly upon this question, and I do not think that it ought to be dealt with in the manner now proposed. The matter is one which affects the great masses of the people in England, who should first be allowed to decide what is best for themselves. Then we might express our willingness to consider their proposal. We should not, in the meantime, allow ourselves to become tools in the hands of political adventurers who are carrying on a fight against those who are least able to defend themselves.

Mr. LONSDALE (New England).—I presume that it will be necessary for honorable members, who, like myself, are opposed to the motion, to commence by declaring our loyalty to the old country.

Mr. ROBINSON.—I desire to call attention to the state of the House. [*Quorum formed*].

Mr. LONSDALE.—The gentlemen who have engineered the proposals for preferential trade throughout the Colonies are strong in affirming their love for Great Britain. They assert that they desire to establish preferential trade relations with the mother country, for the purpose of rendering it all the assistance that they can. When interjections are made with a view to showing that they merely seek to gain advantages

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for themselves, and that they care nothing for the future trade of England, they immediately exclaim, "Cannot we discuss this matter from an Australian stand-point?" In other words, they immediately abandon their claim to be actuated only by feelings of loyalty, and admit that it is from the Australian stand-point that this question should be discussed. If that be so, I claim that the motion which is now under consideration has no right to appear upon the business-paper. It has been stated that we are endeavouring to satisfy Mr. Chamberlain by making some offer of a preference to British goods. If the gentlemen to whom I refer would promise that we shall not interfere with British politics, we might discuss the matter from an Australian stand-point. It is plain, however, that in seeking to carry this motion, their one desire is to enable it to be used as a lever in connexion with approaching elections in England.

Mr. AUSTIN CHAPMAN.—Humbug.

Mr. LONSDALE.—The whole thing is humbug. What is proposed? The idea which seems to be entertained by some honorable members is that the trade of England is declining—that decay has set in. Those who are most loud in their protestations of affection for the old country profess a desire to go to her assistance in the days of her supposed decadence. How? By opening our ports, and giving her increased facilities for trade with us? But do they really desire to open the ports of the Commonwealth, and give to the old country increased facilities for trading here? The very terms of the motion show that they do not. I commend the honorable member for Hume for having adopted a more candid attitude than did the honorable and learned member for Ballarat. I congratulate him for having had the courage to express his desires in the motion relating to this subject which he placed upon the business-paper. Honorable members who entertain the same view as he does, do not suggest anything like the free admission of British goods to our ports. Further, they wish to obtain some corresponding advantage in the British market. The honorable and learned member for Ballarat introduced this motion in a speech which has been described as eloquent and full of force. That, however, is a matter of opinion. In my judgment, although it contained a lot of beautiful phrases, the honorable member entirely omitted to set forth the circumstances under which he would grant any assistance to the mother country. He distinctly said that he would not introduce debatable matter, and he made it perfectly clear that he desired to please everybody, so as to secure a division upon the motion in the direction which he favoured. We have been repeatedly assured that British trade is declining. I wish to combat that theory, and in doing so, I am perfectly prepared to accept the years which Mr. Chamberlain selected in his first great speech. Prior to his visit to South Africa, that gentleman declared that Great Britain's trade was not declining, but that she was capable of competing with the whole world. For some reason or other, however, upon his return to England, he changed his tune, and arrived at the conclusion that British trade was declining. To suit his purpose, he selected the years which would best fit his arguments. I do not complain of that; but I regard the whole of these proposals in connexion with preferential trade as an arrant piece of sham and hypocrisy, and as partaking of the most detestable meanness. In his endeavour to show that the trade of Great Britain had fallen off considerably, Mr. Chamberlain compared the volume of that trade in 1872 with that which obtained in 1902. He pointed out that after a lapse of thirty years, British exports had increased by only £20,000,000. As a matter of fact, he made a mistake of £10,000,000. He argued that because the exports of the mother country had only increased by that amount, British trade was declining. I should like to point out that the trade of Great Britain between 1870 and 1872 increased by £60,000,000. The explanation of that is to be found in the fact that 1872 was a boom year in British trade, because of the war between France and Germany, and because of the borrowing policy adopted by the nations of the world. In consequence of the crippling of the countries which I have mentioned, there was a great addition to the trade of England. The fact is that Mr. Chamberlain compared the boom year of British trade with the year 1902, when England was just emerging from one of the greatest wars in which she has been engaged. But what are the real facts? In 1872 prices, because of the abnormal condition of trade, increased materially, whereas from 1872 onwards, they have fallen immensely. That fall has been in the value of productions, and not in their quantity. If the trade of Great Britain in 1902 were valued at the same prices as her trade in 1872, it

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would be £100,000,000 higher. Mr. Chamberlain must have been familiar with these facts, and his statements, therefore, must have been intended to convey a wrong impression to his audience. If we analyze the figures, we shall find that they do not bear out the contention that the trade of Great Britain, as compared with that of other countries, has declined. British trade has increased correspondingly with that of the other nations of the world. The trade of America for 1902 amounted to:—Imports, £180,664,189; and exports. £271,096,372. The exports consisted of manufactured articles to the value of £80,728,286; and the balance of £190,368,092 was made up of the productions of agriculture, mines, forests, fisheries, &c. That country, we must recollect, has a population of nearly 80,000,000. The export of British and Irish produce in 1902 amounted to £283,000,000. Consequently, from a relative stand-point, the United Kingdom has more than double the export trade of the United States. In other words, 40,000,000 people do exactly the same trade as 80,000,000. Great Britain did that trade, notwithstanding all the disabilities under which she labours, as compared with America. The manufactures of England exported during the same year were valued at £210,000,000, as against £80,000,000 worth of similar exports by the United States. In other words, England does three times the manufacturing export trade of America. Is there any sign of decay there? It is absolutely clear that, instead of there being cause to lament the decline of British trade, the mother country occupies a position of undoubted prosperity. It must be recollected, too, that Great Britain has to depend upon other countries for the supply of her raw material. For instance, in 1902, she imported raw cotton to the value of more than £40,000,000, and iron ore, which was worth £6,000,000, in addition to large quantities of wool, silk, and other raw materials, which she requires for the purposes of her trade. Yet, after importing all this raw material, she was able to compete in foreign markets, and to do the largest manufacturing trade in the world. Let us deal with these figures in another way. The question is a most important one. When I listened to the Minister of Trade and Customs last night, as he talked about percentages, I was reminded of the consternation into which the total abstainers were thrown when they were informed that 50 per cent. of the total abstainers in one regiment had died during a certain year. They determined to inquire into the matter for themselves, with the result that they discovered that there were two total abstainers in the regiment in question, and that one of them had died. When we quote percentages, we may convey an altogether erroneous impression to the public; but when we make a comparison of the bulk of Great Britain's trade with that of other countries, we are able to show that she is standing well. The combined exports of the German Empire and the United States of America represent a value of £497,000,000, whilst the total export trade of Great Britain is £350,000,000, or only £147,000,000 less than the combined export trade of these two great countries. What are the facts? The German Empire and the United States have an area of 3,179,000 square miles, and a population of 135,000,000, while Britain and Ireland has an area of only 121,000 square miles and a population of about 42,000,000. As the population of a country increases so the necessity for an export trade decreases; as the prosperity of the people is enhanced the quantity of work to be carried out locally increases, and larger supplies have to be provided for home consumption. Honorable members will find that the bulk of the raw material which is being imported into Great Britain to-day is used in manufactures for local consumption, and this shows that her prosperity must have increased.

Mr. EWING.—The honorable member is becoming a protectionist.

Mr. LONSDALE.—There is no recognition of the policy of protection in that statement. The protectionists talk about the home trade of America and other countries, and allege that they have discovered that England has none. As a matter of fact, her home trade is considerably larger than is her export trade. The point I wish to emphasize is that she does the same trade locally in proportion to her population as does America or any other country, and then does the largest export trade in manufactures. We are told that we should grant a preference in respect of British goods. The honorable member for Ballarat says that if this scheme were adopted, our population would enormously increase, and that increased employment would be found for our agriculturists and others in producing sufficient to satisfy the

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wants of the largely augmented population. If the result of adopting a preferential scheme would be to largely increase our exports to Great Britain, why should not that export trade be increased without the adoption of any such scheme? Is there any obstacle in the way of our sending more produce to Great Britain to-day? Does England seek to prevent us from capturing her market, if we can do so? Why is it that we have not the many thousands of people, of whom the honorable member speaks, producing in Australia to-day? Great Britain certainly does not stand in the way. We have the land, and everything is ready for the use of our farmers if the British market can be captured. The honorable member for Hume said that there was a certain obstacle in the way, and urged that we were being impoverished by reason of the fact that we contributed only 5 per cent. of the foodstuffs required by Great Britain. If we are, we certainly cannot ask Great Britain to help us. She has freed her markets to us, and we are at liberty to capture them if we can do so. When the honorable member for Hume was speaking, I pointed out, by way of interjection, that the uncertainty of our climate was against our doing what he suggested. No preference granted by England to Australian goods could prevent the droughts from which we suffer from time to time—no preference could have made the season before last a good one, nor could it have any effect upon the harvest of the present year. Our uncertain climate makes it difficult for us to send larger supplies to Great Britain. In 1901, we exported 20,000,000 bushels of wheat to the old country.

Mr. ROBINSON.—And last season we sent nearly 40,000,000 bushels there.

Mr. LONSDALE.—I have not the returns relating to last season, but I would remind the House that in 1903 we exported only 1,172,000 bushels to Great Britain. What was the reason of the decrease? Was there any barrier placed in the way of our export trade with Great Britain? No. The fact was that, as the result of the drought, our output was greatly reduced. If England were dependent upon us for her food supplies, what would happen in such circumstances? Would it not be foolish for her to shut out the wheat and other foodstuffs of the rest of the world, and to depend upon such an uncertain source of supply as Australia? The honorable and learned member for Wannon says that we exported nearly 40,000,000 bushels of wheat to Great Britain last season. Shall we export anything like the same quantity this season? I think not. Last year was a favorable one, but the season of 1904-5 will not be so good. In 1901, Canada sent 12,491,192 bushels of wheat to Great Britain, and her output gradually increased, until, in 1903, she placed 20,163,972 bushels of wheat in that market. Honorable members will see from this that the climate of Canada is more reliable than is that of Australia, and that the Canadian farmers would have an advantage over those of the Commonwealth if a preference were granted.

Mr. AUSTIN CHAPMAN.—But they have a good Tariff in Canada.

Mr. LONSDALE.—What has that to do with the export trade? The farmers of the Commonwealth would be very foolish if they allowed themselves to be gulled by the assertion that a Tariff would be beneficial to them. No Tariff can possibly help them, and the same may be said with regard to the producers of flour, meat, and other articles. Those who are supporting this scheme, and who profess to love the old land, wish to increase the price of wheat in England in order to benefit the farmers in Australia. They desire that the Australian farmer shall reap an advantage at the expense of the poor workmen of England. That is the Australian stand-point. Could a meaner proposal be made? They wish to make it more difficult for the masses in England to live, in order that the position of the farmers out here may be improved. The price of the wheat to the consumer in Great Britain is to be increased, so that the rents of the landlords—the marquises, earls, and lords who are supporting Mr. Chamberlain, should be increased, whilst the unfortunate masses would have less to eat. If any one could tell me of a meaner proposal, I should certainly like to hear it. I may repeat at this stage a conversation that I had on one occasion with Lord Jersey. I always held a very good opinion of him as Governor of New South Wales, and that opinion was strengthened by a conversation which I had with him about the time when President Cleveland was elected. Lord Jersey was then travelling by railway through the district in which I lived, and I handed him a telegram which I had received announcing President Cleveland's election. We had a conversation as we travelled along the line,

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the news leading us to the consideration of the question of the effect of the removal of the duties imposed by Great Britain. Lord Jersey remarked, "I will admit that the removal of the duties imposed by England, and especially of those which were levied on farm produce, has led to the reduction of the rent rolls of the landlords. My rent-roll is much less because of this, but the comforts and the blessings of the masses of England have been improved." I have often thought of that statement. "The man who would dare to place a duty on foodstuffs in England would be a cruel man," he went on to say, "because the only result of such a duty would be to increase the rent-rolls of men like myself. It would give us greater luxuries, if that were possible, than we now enjoy, and at the same time would make it more difficult for the masses of England to live." I honour Lord Jersey for such a declaration, and I am pleased to know that in England to-day he is fighting against Mr. Chamberlain's proposal. Preferential trade must result in increasing the prices of foodstuffs. It has been suggested that that would not be the effect of the introduction of this system. It was stated, by way of interjection, this afternoon, that the tax of 1s. per quarter on corn had not increased the price of bread in England. What did Mr. Chamberlain say on this point?—

The other day a duty, a moderate duty of 1s., was placed upon corn. It is a very small duty. It had no effect upon the price of bread.

A writer in the October number of the *Westminster Review* points out—

Now a tax of 1s. per quarter on corn is equivalent to one-eighth of a penny on the four-pound loaf. But, as a matter of fact, in London, very generally throughout the provinces, and even in the faithful Birmingham itself, the price of the four-pound loaf was raised, and that not by one-eighth of a penny, but by ½d.—just four times the amount of the duty.

Then he went on to point out the position of Germany—

The case of Germany is far more to the point, though Germany imports only 34 per cent. of the wheat she consumes. But in Germany (as Mr. Gerald Balfour was forced to admit on August 9, in reply to a question in the House by Dr. Shipman), while the duty is 7s. 7d. per quarter, the price of wheat is 9s. 3d. more than in this country—that is to say, 1s. 8d. over and above the duty.

Why is the proposal so strongly advocated? Because it is said our producers will have a better market, and that it will lessen the competition of foreign corn with Australian corn, and so increase the profits of our exporters. I have always found that men who endeavour to secure advantages by law are careful to profess that they do not believe that such advantages will be derived from their propositions. Let the English people decide. Do not let us interfere in the matter. We should not seek to assist the aristocracy and wealthy men of England to make the lot of the poor in that country harder. We have been told of the preference that the Commonwealth can give to England, and therefore I have taken the trouble to analyze the statistics for 1903. I find that in that year our importation of cottons, woollens, velveteens, hats, boots, and other manufactured articles of domestic use amounted to £8,778,011, of which £7,672,522 worth came from the United Kingdom, and only £119,622 worth came from France, £443,191 from Germany, and £243,069 from the United States. As I thought that I might be asked whether some of the imports from Great Britain were not of foreign manufacture, I have looked into the question, and apparently about £2,000,000 worth of the importations from the United Kingdom came from foreign countries. Deducting one-eighteenth from the total exports, it makes them worth £8,290,345, of which £6,905,270 worth came from the United Kingdom, and about £1,250,000 from other foreign countries. Our importations of metals, manufactures of metals, and machines of all kinds were worth £6,582,901, of which £4,529,322 worth came from the United Kingdom, and only £11,904 worth from France, £576,585 worth from Germany, and £1,123,034 worth from the United States. Our importations of china, porcelain, earthenware, and glass amounted to £428,384, of which £211,219 worth came from England, £2,877 worth from France, £126,333 worth from Germany, and £30,143 worth from the United States. Our importations of instruments, plated-ware, cutlery, jewellery, clocks, watches, electrical material, and brushware amounted to £1,255,268, of which £962,911 worth came from Great Britain, £9,890 worth from France, £105,264 worth from Germany, and £128,164 worth from the United States. Our importation of drugs, chemical dyes, medicines, and perfumery were £915,328 worth, of which £607,107 worth came from the United Kingdom, £112,827 worth from France, £75,891 worth from

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Germany, and £79,906 worth from the United States. So right through in all lines of manufactured imports, Great Britain stands a long way in front of all other countries. It is absurd to talk about giving her a preference in regard to these lines when she has already practically got the trade to herself. Instead of foreign countries ousting Great Britain from our market, that country is practically ousting them. I found that the importation of articles such as oil, timbers, tobacco, sugar, grain and pulse, and tea was £11,609,667 worth, of which England sent £1,920,036 worth, France £196,198 worth, Germany £345,490 worth, and the United States £3,822,667 worth. The balance came in about equal proportions from British possessions and other foreign countries. It is, of course, impossible for Great Britain to treat with foreign countries in regard to most of those articles. Personally, I should be ready to give Britain every advantage, because I am in favour of absolute free-trade. But those who talk so loudly about their loyalty, who boast that they are not little Englanders, that they want to unite the Empire, will stand behind the old country only so long as they can gain by doing so.

Mr. KENNEDY.—Does the honorable member do anything for nothing?

Mr. LONSDALE.—No; but if I am making a bargain, although I try to get the better of the other man, I do not boast that I am trying to let him get the better of me. I would not represent myself as a great patriot or philanthropist if I were trying to cheat my fellow man or taking advantage of him. But that, in my opinion, is the position of those who are behind this movement. If it were proposed to have free-trade within the Empire to give the West Indian growers a preference on sugar, the honorable member for Richmond would not consent to it, although he talks so nicely about his love for the old land. As the Prime Minister said last night, if England needs our help, if the burden of empire grows too heavy for her, and she finds that she has to spend more than she can afford on her Navy and Army, we might show our desire to help by increasing our subsidy for the upkeep of the fleet. Honorable members have tried to look at this matter from the English stand-point, because they wish to help Mr. Chamberlain to carry his scheme, in order that they may obtain preferential duties on grain. But it must be remembered that English trade is open to retaliation in every direction, and if the nations of the world develop the spirit of retaliation, England will not get the best of it. If we increase the animosity of other nations against the old land, we shall, instead of benefiting her, be doing her an injury. Neither can we hold the Empire together by bonds of selfish interest. If difficulties arise in the making of these bargains, those bonds, instead of decreasing, will increase friction, and the tendency will be towards disunion. I am in favour of giving England all the help that can be given to her. I have no desire to stand in the way of her progress. I realize that we owe a great deal to the old land, and though I have never trodden her shores, it is one of the dreams of my life —I do not dream much; whatever I have to say is practical, and the statements which I have made this afternoon cannot be refuted—to stand upon her shores and to see the places of historic interest which are to be found there. I do not know that that desire will ever be fulfilled. My loyalty, however, is as great as that of those who boast so much of theirs. I wish not to endanger her position, but to give her all the assistance possible. The protectionists, however, can have no desire to give English manufacturers access to these markets. What they say to the mother country is, "Give us all you can, but we will not give you anything." I do not know that I need take up any more time in dealing with this matter. I look upon the proposals before the House as the veriest sham and the greatest hypocrisy.

Mr. EWING (Richmond).—I did not intend to speak on this question, although it has apparently afforded an opportunity sufficiently ample to satisfy any one with oratorical tendencies, and is important enough to justify the fullest discussion. I think, however, that as little heresy as possible should appear in the pages of *Hansard*, and, therefore, wish to say that the vast majority of the Australian people and of the members of this House favour the principle of preferential trade. An infinitely small majority of honorable members, however, are prolonging the debate in order to prevent a division being taken on the motion, and the result being cabled to England. Among those who have opposed the motion are the Prime Minister, the honorable and learned member for Angas, and the honorable

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members for Grey and New England. It appears not to have dawned on the minds of any one of them that Great Britain is a self-governing country. The Prime Minister admitted that at the last elections a majority was returned in favour of preferential trade, but the matter has been discussed by him and the others whom I have mentioned, not from the Australian stand-point, on which we are capable of expressing an opinion, but from the British stand-point, with which British people alone can deal. The honorable member for New England, since there are such men as Lord Rosebery in the world, might have saved himself the trouble of championing the cause of the people of England, and the honorable member for Grey, great as are his abilities and magnificent his vocabulary, might have trusted Mr. Asquith to place before British audiences that aspect of the case over which he laboured so hard. It was obviously because Australians are in favour of preferential trade that these speakers addressed themselves to the subject from the British point of view.

Mr. LONSDALE.—I am prepared to go out anywhere to speak against these proposals.

Mr. EWING.—I am prepared to believe that. With a certain amount of enthusiasm, honesty, and ignorance, a man may dare anything. Most of the world's troubles have been due, not to the wicked and cunning, but to the honest, incapable man, who does not know what is right, and cannot understand that great minds may hold absolutely different views on the same question. If we have learned anything from politics, literature, and civilization, it is that the ablest minds have been in antagonism in regard to every important question that has been brought forward for discussion. The honorable member for New England has declared, in his characteristic way, that all those who favour preferential trade are either rogues or fools.

Mr. LONSDALE.—I did not say that.

Mr. EWING.—The honorable member inferred it. When the honorable member takes that attitude towards those who are opposed to him he demonstrates that he has not risen to the contemplation of the very elements of discussion. Truth is not evolved from the unanimous advocacy of a doctrine. It is the magic spark produced by the conflict of opposing opinions which enables us to arrive at reasonable and just conclusions. The question whether preferential trade will be good or otherwise for Australia has not been discussed by our opponents in this debate. The Prime Minister acknowledged that the majority of the people of Australia had declared in favour of the principle, but he passed away from the consideration of the practical aspect of the matter into nebulous regions. The whole point of his argument was that England had suffered so much under protection, prior to 1846, that she would never consent to revive the conditions which then existed. I would point out, however, that she has never been asked to do so.

Mr. WATSON.—They could not go back if they tried.

Mr. EWING.—Exactly. The Prime Minister then branched off, as did also the honorable member for Grey, to a discussion of the huge amount of misery that exists in the world. They drew pathetic pictures of the condition of the working classes of England prior to 1846. They said that, prior to 1846, the country was full of misery and appendicitis—although they did not know it by that name at that time. There was much misery and plenty of tuberculosis, and the cause of it all, in the view of the Prime Minister, was the protective policy which was then in force. There is sin and sorrow in the world, and apparently the cure in the eyes of the Prime Minister is the adoption of the policy of free imports. If the honorable member for Bland were asked to name a cure, he would say, "Join the Labour Party." So long as human beings are born and grow up and die, there will be trouble and misery. So there was plenty of trouble and misery in England prior to 1846, not simply owing to a fiscal policy, but to entirely different causes. There will be sin and misery under any brand of fiscalism, where millions of people are gathered together in a little island like Great Britain. I desire to refute the statement of the Prime Minister that the change in the fiscal policy of England, which took place in 1846, immediately brought about reductions in the price of food. The fiscal change had nothing whatever to do with the matter. In 1850 wheat was quoted at 5s. per bushel in London, in 1860 at 8s., in 1865 at 6s. 2d., in 1870 at 7s., in 1875 at 6s. 9d., and in 1880 at 7s. 1d. Then in the following years began the development of the great waste places of the earth. Vast areas of hitherto unproductive land were opened up, railways traversed the outlying solitudes, which had hitherto been the hunting

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grounds of the aboriginal inhabitants, and the produce gathered at the seaports was transported across seas at a rate of speed and cheapness which was utterly inconceivable to men of the time of Bright and Cobden. The ingenuity of man applied to the productiveness of the earth brought down the prices of wheat. In 1900 wheat was quoted at 4s. 10d. per bushel, in 1890 at 4s. 6d., in 1895 at 3s. 2d., in 1900 at 3s. 3d., and in 1902 at 3s 5d. The development of the natural resources of the earth by the hand of man has been instrumental, over and above the influence of duties, in cheapening food. The reduction in the price of wheat was due to the fact that the wheat supply of the world is overtaking consumption. That was rendered possible by the application of science to the needs of humanity. If the argument of the Prime Minister is correct, as applied to the reduction of the price of wheat, how is it that the price of beef in England has not also been reduced? As a matter of fact, it is dearer to-day than it was in 1830, because the supply of beef is falling rather behind the consumption than otherwise. In 1840, beef was sold in London at 44s. per cwt., in 1850 at 38s. per cwt., in 1855 at 41s. 6d., in 1860 at 31s. 4d., in 1865 at 48s., in 1875 at 62s., in 1885 at 61s., in 1900 at 58s. 4d., and in 1902 at 53s. 8d.

Mr. WEBSTER.—And that in spite of the improved facilities for transport to the home market.

Mr. EWING.—Yes. Notwithstanding this, the supply of beef has not overtaken the demand in the same way as in the case of wheat. The minds of some honorable members seem to me to be in a state of atrophy; they are apparently unable to understand the influences that are at work. Even the honorable and learned member for Angas failed to grasp the position. Although his speech was admirable, not one syllable of it was correct. It was an able speech, but the honorable and learned member spoke from an entirely wrong stand-point. In the case of butter, also, we find that the prices have increased rather than diminished. In 1850 butter was sold in England at 76s. per cwt., whereas it is now realizing 108s. per cwt. The people of the old country are using more butter than formerly, and the production of that commodity has not overtaken the demand. Some references have been made to sugar, and apparently honorable members do not understand what patriotism means. They have assumed that I would be unwilling to make any sacrifice in regard to sugar, because I am personally interested in the industry. I wish, however, to place it on record that I have no personal interest in the growing or manufacture of sugar. In 1840 sugar was sold in England at £47 per ton, whereas a similar article is now sold at £7 3s. per ton. No duties could have had much bearing upon that case, and obviously some other influence has been at work. In 1880 sugar was worth £22 per ton, but in 1885, when the German sugar bounties were started, the price fell to £11 per ton. Germany, in 1885 exported 22,200 tons of sugar, whereas in 1900 her exports had risen to 1,006,400 tons.

Mr. ROBINSON.—Does the honorable member seriously contend that the fall in the price of sugar was due solely to the operation of bounties?

Mr. EWING.—It was due to practical science—to improvements in machinery, and also to the great development of the bounty-fed beet industry. I should like to ask the honorable member for Parramatta whether it is fair that the sugar industry throughout the British Empire should be broken down by the strength and wealth of the German Government?

Mr. SPEAKER.—Will the honorable member inform me of the direction in which his argument is tending?

Mr. EWING.—I am endeavouring to prove that the great causes which have produced these results are to be found quite outside the reasons which have been urged. Some honorable members exclaim, "Let us consider the foreigner." May I point out that the foreigner has never considered British industries. An industry is only of value to a country if it be stable. Incidentally I referred to the sugar industry. Under free-trade conditions it would be right to allow fair competition between man and man in that industry. But when the German Government steps forward and places £1,000,000 worth of bounty-fed sugar upon the market, does that permit of fair competition between man and man? Certainly not. Every free-trader should fight against that as strenuously as he would against protection itself. I have already shown that it is impossible for the British people to get back to the position which they occupied in 1846, and which was depicted by the Prime Minister in his speech last evening. To discuss the motion from

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that aspect is therefore absolutely idle. It is necessary for me to make my remarks as brief as possible, recognising that we are in the twilight of Parliament. We can hear the recess "calling," and I am called upon to do nothing beyond enunciating a few sound principles, disclosing the manifest errors of honorable members opposite. We are all in agreement with regard to the needs of the Empire, so long as they cost us nothing. We are all prepared to profess any political principles which are not too costly. A large number of honorable members believe in following the line, or rather, the curve, of lease resistance. Nevertheless, we all have the same end in view. If there be any individual so demented as to believe that Australia has any future except as a part of the British Empire, I should like to hear from him, because he must possess the sort of intellect that one would expect to find in a free import camp, but nowhere else. We possess a population of a few millions, and we have only a few thousand fighting men to defend us. We know that sooner or later every nation is tried by the arbitrament of war, and, without discussing from what quarter trouble may come, we must recognise that we cannot successfully defend Australia unaided. Our allies must be our own kith and kin.

Mr. KING O'MALLEY. — The honorable member does not believe that.

Mr. EWING.—I am quite sure of it. Surely the honorable member cannot imagine that, with the present means of communication, we are in a position to preserve a White Australia?

Mr. KING O'MALLEY.—I think that we can beat the whole world.

Mr. EWING.—It is obviously unnecessary to discuss that question. The supporters of preferential trade desire to do something, but its opponents wish to do nothing. They believe that something is sure to "turn up," and therefore they are content to remain inactive.

Mr. JOSEPH COOK.—Come to business. Let the honorable member tell us what preference he is prepared to give to the mother country.

Mr. EWING.—I shall deal with that aspect of the matter at a later stage. What struck me during this debate was the unwisdom which induced honorable members to use as applicable to the year 1904 arguments which may have had some weight in 1846. They did not seem to realize that those arguments are like mere cobwebs now —that they are mildewed—and that though they might have served in bygone days, they are not applicable to the present position. Some honorable members frequently talk about free-trade. Do they not know that Great Britain has never enjoyed a free-trade policy? She has merely had experience of a policy of free imports. Did Bright or Cobden expend their energies in the direction of gaining merely free imports? Another argument which has been advanced by some honorable members has reference to the friendliness of nations. They urge that because Great Britain throws open her markets to the foreigner, the latter will be overpowered by friendly feelings. In this connexion I may ask, "Where is any friendship exhibited by any European nation towards Great Britain today?" Is there any nation which entertains specially friendly feelings towards the mother country, except it be from fear?

Mr. ROBINSON.—Greece and Italy have always been friendly towards her.

Mr. EWING.—It is a case of the mouse and the lion again. Honorable members must recognise that the free markets of the mother country have not promoted national friendliness towards her.

Mr. BROWN.—Are the other nations of the world less friendly because of those free markets?

Mr. EWING.—If the honorable member asks me whether a man who puts a charge of dynamite under me is more friendly than the individual who, in other circumstances, would place two charges there, my reply is that it does not much matter. For sixty years Great Britain has thrown her markets open to other countries, and they have not reciprocated. In 1846, German competition was not considered, and even that of the United States was not accounted of very much importance. The growth of the trade of those countries has been phenomenal. But they have never done anything to show that they are influenced by Great Britain's free import policy. They govern themselves for themselves. On the other hand, Great Britain was to become the great manufacturing power of the world. The general idea was that she should allow other countries to produce the raw materials which she requires—that she should throw open her markets to them, and that after converting those raw materials into manufactured articles she should send them back at an enormously increased value. That was the basis of a considerable portion of the free-trade argument in 1846.

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Mr. LONSDALE.—Even to-day Great Britain stands first in the quantity of manufactured articles which she exports.

Mr. EWING.—Notwithstanding these anticipations, the progress of manufacture in the countries which it was supposed would continue to be the producers of Great Britain's raw materials has been stupendous. We are becoming wearied by the patronizing friendliness of the free importers. The honorable member for New England has said, breezily and epigrammatically, that a person who believes in protection or preferential trade must be either a rogue or a fool, and we know that the honorable member for Parramatta holds a similar view when he is not engaged in writing protectionist letters. Surely it should be unnecessary in the twentieth century to point out that all the able men in the world do not live in our own country. The honorable member for New England has described the inhabitants of the United States as fools, the people of a nation who are the cutest and ablest on the face of the earth with regard to practical science and invention, and what I understand would be called by the Labour Party, "cokum." If, again, we wish to discover an astute, philosophical, thoughtful, strong nation, dealing with all the higher interests of life, where can we find one which excels Germany? There again we have a protectionist country, believing in the principle of preferential trade, and trading with her colonies just as we desire that Great Britain should trade with her Empire. Notwithstanding the wonderful example we have of the supreme ability of the honorable member for Grey, and the marked oratorical power of the honorable member for New England, I think they should be prepared to grant that there are at least some able men living in the United States. The honorable member for Grey suggested that this proposal would, if adopted, be an insult to the foreigners. But how should we insult the foreigners by doing that which they are doing themselves? The colonies of foreign countries are treated in the way we think the colonies of the mother-land should be treated. Let me give a homely illustration of the position. I presume that all honorable members do not live in tents—that some of them have homes — and therefore ask them whether it is an insult to an honest man to lock your own door. Certainly it is not. If an honest man calls on a friend and finds the door of the house locked he is not insulted. As soon as he knocks the door is opened to him, and he walks into the house and receives that hospitality which he expects. And so with regard to the British nation. We are certainly not insulting the foreigner by asking that the British nation shall lock its doors, and open them only to its friends. The locked door may be an insult to thieves and robbers, but it is certainly not an insult for one to keep his door closed against persons until they are prepared to deal fairly and honestly. From the free import aspect of the case—and, although opposing that scheme, it requires to be re-stated — I believe that Mr. Chamberlain and the free-traders who are with him in this proposal are much more likely to secure a uniform system of free-trade all over the world by means of preferentialism than they will be by Great Britain giving away all that she is able to give and receiving nothing in return.

Mr. DEAKIN.—She gets only as much as it is good for them to give.

Mr. EWING.—That is all. The honorable member for Angas, in speaking to-day, pointed out that the Australian situation was similar to that of America at the time of the Declaration of Independence. I suggested when he was speaking that a man of his educational attainments was not entitled to mislead less-informed members of the House in that way. Every one should know that the trouble between Great Britain and her American Colonies arose from the fact that the latter claimed the right of taxation for themselves. They said they would give millions by way of contribution, but not one farthing by way of taxation, to Great Britain. I think it was Benjamin Franklin, who appealed for a treaty of some description, and asked that the views of the American people should be considered. He appealed to the British statesmen to allow the matter to be inquired into—just as we propose that the desirableness of preferential trade shall be considered—and if that course had been adopted it would have changed the whole face of the Anglo-Saxon world. We believe that these proposals should be discussed and inquired into, and we at least claim for our opponents that they shall fairly state the cases which support their views. I know that the statement in question was quoted by the honorable member for Angas from certain remarks made, possibly, by Lord Rosebery, but I would emphasize the point that

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there is no similarity between the two positions. We claim the right to discuss this question, and the Americans in 1774 were refused the right to discuss anything. A blow was dealt them by their kindred over the seas, with the result that America revolted. The honorable member for Grey also claims that there is a similarity between that state of affairs and the one with which we are now confronted.

Mr. KING O'MALLEY.—He is altogether wrong.

Mr. EWING.—The Prime Minister spoke of the danger of bargaining, and it would appear from his statement that we are in great danger of making the foreigner angry. If it be true, as he contends, that preferential duties are paid by the people who impose them, how is it possible that we shall make foreigners angry by taxing ourselves? The honorable and learned member for Wannon might deal with that point.

Mr. ROBINSON.—I shall deal with the question, not of fiscalism, but of preference.

Mr. EWING.—The basis of the whole question is whether the members of the British Empire are to trade as far as possible among themselves; whether the sons of Britishers in Australia and other parts of the Empire are to grow the raw material for our industries as far as possible, and give the weight of their patronage to the British market. That can be done only by means of preference. How is it possible for the honorable and learned member for Wannon to suggest that we can deal with this question without making incidental reference to fiscalism? How are we to make the foreigners angry if it be true, as the free-traders say, that a protective duty is paid by the consumers in the country in which it is imposed?

Mr. ROBINSON.—Does the honorable member think that the foreigner pays the protective duty on sugar?

Mr. EWING.—I cannot enter into a dissertation with regard to fiscal possibilities in detail because I should be out of order in doing so. The Prime Minister, in the course of his speech last night, pointed out that nationality did not depend upon trade. We all grant that: Mr. Chamberlain has never said that it does. Underlying the question of nationality are many considerations far removed from the question of trade; but we can say, in reply to the right honorable member's suggestion, that nationality does not depend on free imports. When was English character formed? What was the basis of the nation? When were her triumphs in literature, arts, and everything that goes to make a nation, achieved? When was the nation welded together? Long before England ever heard of free-trade. Everything that is great in the nation was in existence long before the free-trade question was raised, and it remains in existence irrespective of fiscal policy. What Mr. Chamberlain said was that the sons of Empire, producing in far-distant lands, pushing forward the boundaries of her domain, developing the waste places, and holding as fortresses and citadels of the Empire places like Australia and Cape Colony, were entitled to special consideration, and had special claims on the British people.

Mr. MCDONALD.—And peopling the place with Chinese, as in the case of South Africa.

Mr. EWING.—Mr. Chamberlain never said anything more than this: That trade is calculated to stimulate friendly relations throughout the Empire. He did not say that it created national character. What trade could be responsible, for example, for the existence of the honorable member for New England? Something else must have been responsible for it; some upheaval throwing us back to the earliest days of the ichthyosaurus, labyrinthodons, and diprotodons.

Mr. LONSDALE.—That is the kind of statement that the honorable member revels in.

Mr. EWING.—Trade is not responsible for the existence of a nation or a man, nor is it responsible for many other things. I shall go still further than the Prime Minister, and say that the absence of trade does not obliterate the responsibilities of blood. The crimson thread of kinship of which the late Sir Henry Parkes spoke in connexion with Federation, courses as strongly and as freely through the hearts of men who have never done any trade with their country, who have left it decades before, and have never set foot upon it afterwards, as it does in the hearts of those who remain in their own lands.

Mr. JOSEPH COOK.—Very often patriotism runs high where the condition of the people is the worst.

Mr. EWING.—I do not desire to reply to all these interruptions, wishing to carry my remarks to a close as soon as possible. What every one will grant with regard to Mr. Chamberlain's proposal may be briefly illustrated in a homely way.

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Supposing the honorable member for New England occupied a goat farm, and a man came to buy goats from him——

Mr. SPEAKER.—Will the honorable member discuss the question?

Mr. EWING.—I am endeavouring to do so. It has been stated, over and over again, in the course of the debate, that trade among relations does not stimulate friendly conditions, and I wish to use a simple allegory to prove that it does. I shall not suggest that the honorable member is identified with a goat farm, because that might have a personal interpretation placed upon it, but let us say that he deals in some other line. If a relation comes to buy wheat or wool from him he treats him in a friendly way, and thinks all the better of him. He will not set the dogs on him. So we shall think all the better of the English people if they give us a preference over the foreigner, and they will think all the better of us if we allow them an entrance to our markets which we refuse to peoples outside the British confederation. The honorable member for Grey spoke of the danger of incurring the hostility of the foreigner, but how does the foreigner treat us now? During the discussions on the Tariff, night was made hideous by the voices of free importers asking what we were going to do for the primary producers. Now that we propose to do something for those primary producers, they say, "That is all very well, but we cannot allow England to consent to it." England is able to look after herself, and that being so, the speeches which we have heard against the motion are unnecessary in that Australia is practically unanimous upon the subject. How does the foreigner at present treat our primary producers? I have already expressed my high appreciation of Germany. But I am not cosmopolitan. I am national, and a choice has to be made between vague cosmopolitanism and a strenuous nationalism. But how does Germany treat our primary producers? Let us take flour, for instance.

Mr. ROBINSON. — Why not take wool? She sends men out here to buy it from us.

Mr. EWING.—That is because she cannot produce sufficient wool to meet her demands. Not a cental of our flour can be imported into Germany without paying a duty of 4s. 9d., while it could not be imported into France without paying a duty of 2s. 10½d., or into the United States without paying a duty of 25 per cent. *ad ?rem.*

Mr. ROBINSON.—But in return the Commonwealth imposes a duty of 2s. 6d. a cental on German, French, American, and other flour.

Mr. EWING.—The point I wish to make is that England is the only market open to our primary producers. On our butter, Germany imposes a duty of 8s. 2d. per cwt., France a duty of 10s. 4d., and the United States a duty of £1 8s.

Mr. ROBINSON.—And the Commonwealth imposes a duty of 3d. per lb. on all butter coming here.

Mr. EWING.—No bacon can be imported into Germany, unless a duty of 10s. 2d. per cwt. is paid, while a similar duty is imposed by France, and a duty of £1 3s. 4d. by the United States. So it is with cheese, maize, sugar, fruit, and meat. These countries take our wool and admit it free, only because they require it for manufacturing purposes, though the United States imposes a small *ad valorem* duty.

Mr. SKENE.—A duty of 11 cents. per lb.

Mr. LEE.—But it is a great thing for Australia that these countries take our wool.

Mr. EWING.—The fact that wool is admitted free into those countries is only the exception which proves the rule, and while it may be a good thing for our sheep farmers, it is of no advantage to our wheat-growers, or to those who export butter. cheese, meat, and the other things which I have mentioned.

Mr. LEE.—France is an exporter of butter.

Mr. EWING.—Honorable members must remember that butter, wheat, and other produce is at present pouring into the British markets from all parts of the world, so that there is great danger that our exportations may be submerged. Therefore, our farmers should ask Great Britain to give them a preference, and should be prepared to make concessions in return. Honorable members have asked what method is to be adopted in bringing about preferential trade. I am not called upon at this stage to state in detail what method is to be adopted.

Mr. MALONEY.—No one does.

Mr. EWING.—No one can.

Mr. JOSEPH COOK.—Then why vote for the motion?

Mr. EWING.—I am voting to affirm the general principle. The motion affirms,

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first, the desirability of encouraging industry. Then a statement is made in regard to certain action taken in 1902. Then we are asked to consider the possibilities of bringing about preferential trade; to determine that the data necessary for the preparation of a measure should be obtained; and to authorize the Government to offer preference to the United Kingdom. No details are mentioned.

Mr. ROBINSON.—Will the honorable member vote for my amendment?

Mr. EWING.—No. I am sure that that would be an unwise course to take, merely because the amendment comes from the honorable and learned member.

Mr. LONSDALE.—We want to know what honorable members who are supporting the motion are prepared to do for the old country?

Mr. EWING.—We are dealing only with the general principle now. All that the honorable and learned member for Ballarat asks is that there shall be a pronouncement of our opinion as to whether preferential trade would be good for Australia. When the Prime Minister stated that a majority of the people and of the Parliament is in favour of preferential trade, the motion should have been agreed to without discussion. To ask us to declare now what the preference in detail shall be on butter, or screws, or articles of one kind and another, shows the futility of the consideration given to the subject by some honorable members.

Mr. LONSDALE.—Will the honorable member vote for free-trade within the Empire?

Mr. EWING.—There are broad principles governing one's decisions in regard to all these questions, and we cannot discuss details until we have determined the principles to which we shall give our adherence. We cannot expect to do more to-night than affirm a general principle.

Mr. ISAACS.—Paragraph 5 is a distinct authority for the making of an offer to bind the people of Australia.

Mr. EWING.—Yes; but it contains the words "such preferences to be reciprocally adjusted according to schedules sanctioned by Parliament." We cannot settle those matters to-night.

Mr. LONSDALE.—Honorable members who support the motion are opposed to the giving of preference which would injure the markets of our own manufactures. Why do they not say that?

Mr. DEAKIN.—Because it would not be true.

Mr. EWING.—As the Prime Minister has openly stated that a majority of honorable members were returned in favour of preferential trade, the House should unanimously agree to the motion.

Mr. SPEAKER.—There are conversations proceeding in two or three parts of the chamber which make it almost impossible for me to follow the honorable member for Richmond. These disturbances must cease.

Mr. EWING.—I shall not vote for the amendment of the honorable member for Hume, because I think that it deals with a question which must be left an open matter, and which some say may be taken for granted. The Prime Minister talked about bargaining. We are all bargaining, in every transaction of life. Every law, and every treaty, is a bargain.

Mr. ISAACS.—Does not the honorable member think that, as authority is being given to make an offer to bind the people of Australia, the general terms of that offer should be made distinct?

Mr. EWING.—We agree to an offer being made subject to the final approval of Parliament. I do not desire to enter into a dissertation upon loyalty. There is no honorable member who would be disloyal to the mother country. At any rate, any honorable member who was not loyal would have sufficient wisdom to keep the fact to himself. I believe that Mr. Chamberlain is right, and trade has a great deal to do with the basis of national life. Sentiment may not mean much, but it is the mortar which binds the nation together, and if we are able to train the sons of the Empire to take a further special interest in the welfare of each other because they trade together, we shall do much for both the Commonwealth, Great Britain, and all parts of the Empire.

Mr. ROBINSON (Wannon).—I think it is a great pity that this important question should be debated in a thin and wearied House. Stress has been laid by every honorable member who has addressed the House, upon the importance of this subject, and doubtless it is worthy of the close consideration of a fresh and vigorous Assembly. It is to be regretted that more time has not been devoted to it, and that a more exhaustive debate is not possible. To my mind, it is desirable that we should place our views fully and freely before the British public. We should make clear and

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definite statements on the subject. This is not a matter for airy generalizations or vague rhetoric. We have already had from those who have spoken in support of this flamboyant motion too much airy rhetoric, and too little fact. As one who believes in preference upon certain lines, I am prepared to state the extent to which I am prepared to go, and the reasons why I favour the adoption of that policy. The honorable and learned member for Ballarat, of whose ability, and of whose character I have as high an opinion as has any one, approached so near the sun in his flights of rhetoric, that I thought his wings would melt. The honorable member for Richmond, also, tried to keep as far away as possible from mother earth, and the details of this important question.

Mr. JOSEPH COOK.—That is the safest thing to do.

Mr. ROBINSON.—As the honorable member for Parramatta remarks, it is safe to deal only in vague generalities. It is not safe for the protectionists to give up their generalizations, and come down to what is practical.

Mr. AUSTIN CHAPMAN.—I am prepared to vote on the subject.

Mr. ROBINSON.—The honorable member says he is prepared to vote. I regret that an attempt was made last night to snatch a vote before honorable members had had an opportunity to exhaustively discuss this question. The point is: Are the people of Australia prepared to give to Great Britain such preference as will afford her manufacturers freer access to their markets, or only a nominal preference which will be of no advantage whatever to the mother country? The present position is summed up in a very clever cartoon by Mr. Carruthers Gould, published in the *Westminster Gazette*. He represents John Bull as pointing to a Tariff wall, which has been erected by a colonist. John Bull says, "I say, my colonial friend, are you going to lower the wall?" The colonist replies—and no doubt he is a protectionist colonist—"Not exactly lower it, but I am going to raise the other part, so that it will be comparatively lower for you." John Bull replies, "Then I shall need the same length of ladder as before." Is the preference we are going to give such that will make it imperative upon Great Britain to use the same length of ladder as before, or is it to be such as will enable her to obtain admission to our markets by using a much shorter ladder? I am not prepared to vote for any scheme of preference which will keep British goods out of our markets. I refuse to be tied to the heels of the party which desires to use the proposals for preferential trade as a means of exciting public sympathy. The people of England have been led to expect that Australia is prepared to give them such preference as will improve the position of the British manufacturer by enabling him to send more goods into our markets. The complaint of the people in the mother land is that our Tariff is too high, and the best way in which we can give them preference is by lowering it in their favour. A book has been published under the title of *All Sides of the Fiscal Controversy*. It contains twenty-one speeches which were delivered in England between 15th May and 7th November of last year. I propose to quote one or two passages from these speeches, to show that the people of England hope and trust that we are prepared to concede to them a generous preference. I shall first refer to the speech delivered by Mr. Balfour at Sheffield on the 1st October. In speaking of the Colonies, Mr. Balfour said—

> And we have seen our own Colonies, our own flesh and blood, the very sinews of the Empire that is to be, building up one vested interest after another, a system of protection which, when it reaches its logical and natural conclusion, will make it as hard for us, their mother country, pledged to defend them, bound to them by every tie of affection and regard—will make it as hard for us to export to them the results of our industry, our enterprise, and our capital as we now find it to export those results to America or to other protective countries.

Therefore, his complaint was that our Tariff was too high. Mr. Chamberlain also made a statement to the effect that he relied upon the Australian Colonies to make a genuine and substantial offer to the mother country. Speaking at Birmingham, on the 15th May, immediately after his return from South Africa, he referred, in the first place, to the good work done by colonists during the South African war, and, as was pointed out by the Prime Minister last night, remarked that—

> If they (*i.e.*, the colonists), value Empire and its privileges, they must be prepared to take a greater share of its obligations.

That is to say, they must be prepared to contribute much more than they do at present towards the expense of defending the Empire. He then stated that Canada had given certain preferences, and he went on to say—

> Last year, at the Conference of Premiers, the representatives of Australia and New Zealand

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accepted the same principle. They said that in their different Colonies there might be some difference of treatment, but, so far as the principle was concerned, they pledged themselves to recommend to their constituents a substantial preference in favour of goods produced in the mother country.

Then again, when speaking at Newcastle, on the 20th October, 1903, he referred to the Colonies as follows:—

They will have to give us preference over the foreigners, and review their Tariffs, in order to see whether, without injuring their manufactures, they cannot open their markets more widely to us.

At Liverpool, on the 27th October, 1903, he set forth that the true ideal was, of course, to bring about free-trade within the Empire, and that the preferential trade proposals formed a step in that direction. He said—

You must proceed to it step by step, and the proposal which I make to you is a step—and a great step—towards Imperial free-trade throughout the Empire, which is, no doubt, the ultimate object of our aspirations, but which at the present moment is impossible.

Mr. Isaacs.—Is that all he says about free-trade? Does he not condemn the ideas of free-trade that are prevalent in this country?

Mr. ROBINSON.—Mr. Chamberlain pointed out that the ultimate aim was Imperial free-trade, and that preferential trade, providing for substantial preference to Great Britain, would be a step in that direction. Then again, when speaking at Welbeck Abbey, Mr. Chamberlain is reported by the London *Standard* of 5th August as having referred to the Colonies in the following terms:—

They have proved their sincerity by offering to us preferences on everything that we produce, and that we send to them. They ask us to meet them half-way. They ask us to grasp the hand which they hold out to us. They ask us to contribute to their prosperity without injuring ourselves. They ask us to give them the trade that we now give to the foreigner. In return, they will do more for us even than they have already voluntarily done. They will take more of our manufactures; they will find work for the people of our towns.

I have quoted these statements for the express purpose of showing that the representations which have been made by the leaders of the preferential trade movement in Great Britain is that the preference we are prepared to concede is of a genuine and substantial character, which will considerably improve the position of the British manufacturer. I am prepared to vote to-day, or at any other time, for such preference. We must guard ourselves against any misapprehension as to what will constitute a substantial preference. Mr. Chamberlain has specifically referred to the Canadian preference as having proved distinctly disappointing to the mother country.

Mr. Watson.—Was that the statement made in 1902?

Mr. ROBINSON.—Yes. He said—

The net result, which I desire to impress upon you, is that, in spite of the preference which Canada has given us, their Tariff has pressed, and still presses, with the greatest severity, upon its best customer, and has favoured the foreigner, who is constantly doing his best to shut out her goods.

In another place he says—

The substantial results have been altogether disappointing.

Mr. Isaacs.—But Canada has derived enormous benefits.

Mr. ROBINSON.—Is the honorable member aware that in spite of the preference the imports from the United States into Canada have increased in a far higher ratio than have the imports from Great Britain?

Mr. Watson.—We have to consider the classes of goods that are imported.

Mr. ROBINSON.—When the Canadian manufacturers of woollen goods found that the British imports were interfering with their operations, they immediately demanded that the duty should be increased. Apparently, whenever protectionists find that they are being injured, they will demand that the preference shall be removed. Therefore, in matters of this kind, we should be absolutely plain and straightforward. We should consider the extent to which we are prepared to make sacrifices for the sake of the mother country. We should keep the leaders of the movement in England thoroughly posted with regard to our views and intentions in this regard. No one can deny that if we do grant a substantial preference, it will prove of great advantage to the working classes of Great Britain. What the workers of England fear, however, is that the preference to be granted will be nothing more than a sham and a make-believe, and that their condition will not be improved, but rather the reverse.

Mr. Webster.—What does the honorable member propose to give?

Mr. ROBINSON.—A substantial reduction.

Mr. Isaacs.—Simply a reduction?

Mr. ROBINSON.—Yes.

Mr. Webster.—How would that affect the operation of the Commonwealth Tariff?

Mr. ROBINSON.—There are a number

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of items which I shall enumerate at a later stage, upon which I think the duties might be very substantially reduced in favour of Great Britain. It is of no use making the Tariff comparatively low; it must be made actually low, if we are to accord any real preference to the mother country.

Mr. ISAACS.—Does the honorable member think that we ought to secure no return for such a preference?

Mr. ROBINSON.—I certainly anticipate that effect will be given to the promise which has been made, and that in return for any reduction of the existing duties in favour of the mother country, we shall receive a preference in the British market. If a proposal were made that we should abolish all duties upon British manufactured goods, conditionally upon that country granting to us a substantial preference, I should be quite prepared to fall in with it. Free-trader as I am, I should support the ideal of free-trade within the Empire, even if it were coupled with the imposition of some duties against foreign nations, because I believe that by acting in that way we should knit the Empire more closely together. To me the prospect of a free-trade Empire is an alluring one. But, whilst I am in favour of making a substantial reduction in existing duties in favour of Great Britain, I cannot close my eyes to the Tariff history in Australia within the past twelve months. At the last general elections the cry for fiscal peace was indorsed by every party in the Commonwealth. But about the middle of this year the exigencies of one political party demanded that it should raise the cry of fiscal war. Its clamour has been heard in this Chamber, and in the columns of the protectionist newspapers it has been represented that our Tariff is too low, and that our importations from abroad must be reduced by increasing the duties at present operating. The Victorian Protectionist Association has passed resolution after resolution demanding the imposition of higher duties. The Chamber of Manufactures has issued appeals to the manufacturers of Melbourne asking them what duties they wish to see levied upon their finished articles generally. A system of organized mendicancy has been in progress for several months.

Mr. ISAACS.—Is it mendicancy to ask for the imposition of a higher rate of duty?

Mr. ROBINSON.—It is mendicancy for manufacturers to come to Parliament with a request to put more money into their pockets. The Tariff Commission has been appointed for much the same purpose. Its appointment was clamoured for by those who wish to see existing duties increased. Honorable members who entertain that view have repeatedly urged that this country is suffering from the over-importation of manufactures from England and elsewhere. It has been asserted that the iron trade is suffering in the Commonwealth, because practically 90 per cent. of our iron imports come from Great Britain. The Protectionist Party wish to secure higher duties, not merely against the foreigner, but also against the Britisher. The British manufacturer does not appeal to them. They wish to shut him out of our market just as they would shut out the German, the Frenchman, and the Italian. They are prepared to join in this discussion largely for party reasons. When I see upon the public platform in Melbourne and Prahran gentlemen demanding preferential trade relations with Great Britain whom I know in their private lives and by their public actions have been urging the imposition of higher duties—who have repeatedly referred to the "sweated labour" of the mother country, and who have denounced the English labourer as a "serf"—I cannot help thinking that there is a good deal of bogus loyalty behind their demand. The reason is obvious. There is a desire on the part of the Protectionist Party to secure the support of those who are most actuated by feelings of loyalty to, and affection for, the mother country. I yield to nobody in my desire to see the Empire strong and vigorous. I realize that the volume of Imperial sentiment in Australia is very great; but an attempt is now being made to use it as cover for an attempt to exclude from the Commonwealth, not only foreign, but British goods. The more protectionist these individuals are, the less preferential are they in reality; still the more they prate of Imperial sentiment. I am glad to notice that there are some persons in England who are aware of the position which Australia occupies in regard to this question. Nevertheless, it does seem to me desirable that we should clearly define our attitude upon it. I have here a little book which gives the exact words of a resolution which was passed by the Victorian Protectionist Association immediately prior to the last general election. It reads—

It is further resolved that every Tariff alteration made for this purpose should be based on the principle that the Commonwealth protective

duties continue to cover the difference between the cost of labour in Australia and that in other parts of the Empire, so that the fiscal preference given shall be by additional duties upon imports from foreign countries and by discrimination in the free-lists or merely revenue-producing items.

Mr. Isaacs.—From what book is the honorable member quoting?

Mr. ROBINSON.—From a handbook to the Tariff question, which was published by the Free-trade Union. I may mention that I have checked the resolution from the files of the *Argus* and the *Age*. The same book also sets out the views of the Melbourne correspondent to the London *Standard* upon this question. To my mind, that gentleman aptly and accurately sums up the present situation. He says—

It must not be supposed that the Protectionist Party, though rejoicing that England appears to be prepared to adopt protection, will be ready to make any concessions in regard to duties on British manufactures. It is the British manufacturer they fear. Had it not been for the efforts of the Free-trade Party, the duties on British manufactures would have, in many cases, been twice as high as now. It is British hats, woollen goods, apparel, starch, furniture, and tobacco that the Australian protectionist fears.

Mr. Isaacs.—Who is the author of that statement?

Mr. ROBINSON.—The Melbourne correspondent of the London *Standard*. There is no doubt that he is a trustworthy man.

Mr. Hutchison.—Rubbish!

Mr. ROBINSON.—His statements are absolutely correct, as I shall prove later on. He continues—

What the Australian protectionist hopes is that the United Kingdom will impose duties on the food products and raw materials received from foreign countries, and remit them in the case of her Colonies. That he will joyfully accept, and he would also gladly increase the duties on manufactured goods received from foreign countries, but he will not reduce those duties in favour of England. The practical effect of the proposals here will be to strengthen the hands of the Protectionist Party, which has always done its best to shut out the manufactures of England from Australia.

To my mind, that is an accurate statement of the position taken up by a section of those who are supporting the cry for preferential trade here. If it be possible to obtain a division upon the amendment of which I have given notice, we shall be able to separate those honorable members who are prepared to extend a substantial preference to the mother country from those who are not. It is true that some members of the Protectionist Association in Victoria have offered to reduce duties upon certain goods which are not manufactured in Australia. They have had the temerity to specify two items in this connexion, namely, cotton and linen piece goods, and cutlery. Let us analyze the nature of the preference which they are prepared to extend to Great Britain. When we have done so, we shall be absolutely satisfied that they will never die from enlargement of the heart. I find that in 1903 our total imports of cotton and linen piece goods were valued at £2,055,000, of which £1,943,000 worth were obtained from Great Britain. Consequently, that country supplied us with about 95 per cent. of our total imports of cotton and linen piece goods. Let us assume that the protectionists are willing to go further and reduce the existing duties upon all articles of apparel and textiles. What would their concession amount to? The total value of this class of imports in 1903 was £7,600,000, of which £6,800,000 worth was supplied by Great Britain. In other words, 89 per cent. of our imports in this direction are of British origin. Consequently, it appears that the protectionists of Victoria are prepared to extend to Great Britain a preference of 5 per cent. upon one class of goods, in the supply of which Great Britain practically enjoys a monopoly. Now let us examine what a preference upon the item of cutlery would mean. I find that in 1903 the Commonwealth imported £98,000 worth of this class of goods, in the supply of which £83,000 worth, or 85 per cent., came from Great Britain. If we include plated ware, we shall find that the total imports under this heading in 1903 were valued at £108,000, £90,000 of which—or about 80 per cent.—were supplied by the mother country. Seeing that Great Britain practically enjoys a monopoly of the market upon the items which I have enumerated, the preference which the protectionists propose to offer her is an absolute sham.

Mr. Hume Cook.—The Protectionist Association made no official announcement on the subject.

Mr. ROBINSON.—I did not say that it did. But I distinctly heard an honorable member say in this House, that the alliance would be prepared to support a reduction of the duties on these two items.

Mr. Lonsdale.—They would give away something which is of no service to them.

Mr. ROBINSON.—Something which Great Britain already possesses.

Mr. Hume Cook.—And which she is steadily losing.

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Mr. ROBINSON.—If the honorable member thinks that Great Britain can hope to better her position in respect of an article of export as to which she enjoys about 95 per cent. of our trade, I can only say that he is a glutton.

Mr. HUTCHISON.—Why does the honorable member say that the alliance has decided to do something, when it has not arrived at any such decision?

Mr. ROBINSON.—I said that certain members of the alliance had asserted that they were prepared to take this action.

Mr. HUME COOK.—The honorable member is in error.

Mr. ROBINSON.—I believe that I heard the honorable member make the statement. To vote for a preference of this kind would be to vote for what is nothing more than a piece of political hypocrisy. My suspicions as to the genuineness of the offer of preferential trade on the part of some of the protectionists are increased tenfold, when I examine the paper which I hold in my hand, showing the resolutions proposed on 8th October, 1901, in Committee of Ways and Means, on the motion of the right honorable member for Adelaide, who was then Minister of Trade and Customs, and providing that certain duties of Customs and Excise should be imposed in Australia. The Tariff schedule was framed to keep out British and foreign goods. The honorable gentleman responsible for the Tariff told us that it would result in a diminution of not less than £5,000,000 worth of goods then being imported into Australia. In the ordinary course of events, three-fifths of these goods would come from Great Britain, so that at this time the object of the Protectionist Party was to shut out £3,000,000 worth of British goods from the Australian market. Honorable members know what was the result of the Tariff proposals of the Barton Government. They know that after ten months of the most vigorous fighting, the Free-trade Party succeeded in reducing the proposed duties to a more reasonable level. In some lines they cut down the proposed duties by over 50 per cent.

Mr. HUME COOK.—And the result is ruined industries.

Mr. ROBINSON.—In other cases the duties were reduced by 25 per cent., 30 per cent., 35 per cent., and 40 per cent., with the result that the manufacturers of Great Britain were benefited. Does not the interjection just made by the honorable member for Bourke bear out the contention which I have put before the House, that the policy which I believe he honestly and squarely favours is to shut out British products from Australia wherever that can be done?

Mr. HUME COOK.—We fight for Australia first, not for the mother country.

Mr. ROBINSON.—I have no objection to the Protectionist Party fighting for that which they believe to be in the best interests of Australia. All that I ask is that in making an offer for preference to Great Britain we should be candid and sincere. We should not lead the mother country to believe that we are going to give her a concession when. as a matter of fact, all that honorable members of the Protectionist Party propose is to give a preference which will be of no value to her. Let us examine some of the items in the Tariff. Take the item concerning drapery, apparel, millinery, and so forth. Great Britain supplies about 89 per cent. of the total imports of these goods, so that the Free-trade Party, by securing a reduction of the duty in favour of Great Britain and other countries——

Mr. WATSON.—The honorable member is right in saying other countries.

Mr. ROBINSON.—Great Britain supplies 89 per cent. of the total imports of these goods, so that she receives 89 per cent. of the value of the reduction which the Free-trade Party secured.

Mr. WATSON.—She holds it for to-day.

Mr. HUME COOK.—She will not hold it long.

Mr. ROBINSON.—I have always made it a rule never to argue with a prophet. The Protectionist Party wished to tax cotton piece goods to the extent of 10 per cent. and 15 per cent., but the Free-trade Party secured a reduction to 5 per cent.

Mr. WATSON.—The Free-trade Party were not alone responsible for that reduction.

Mr. ROBINSON.—I believe that in connexion with this matter the honorable member gave one of those intelligent votes of which I warmly approve. The duty on woollens imposed by the Barton Government was 20 per cent. on some articles, and 25 per cent. on others; but the Free-trade Party succeeded in securing a reduction to 15 per cent. The duty on umbrellas is now 20 per cent., whereas the duty proposed by the Barton Government ranged from about 30 per cent. to 90 or 100 per cent. On woollen piece goods the present duty is 15 per cent., although the Tariff, as introduced, provided for a duty of 20 per cent. Seven-tenths of the benefit of these reduc-

tions went to Great Britain; yet the whole of them were strenuously opposed by the official Protectionist Party. In blankets and blanketing, for example, Great Britain supplies 98 per cent. of our imports. The Protectionist Party wished to tax that line at 20 per cent., but the Free-trade Party succeeded in reducing the duty to 15 per cent. Of china and earthenware imported into the Commonwealth, Great Britain supplies about 65 per cent. The Barton Government proposed a duty of 20 per cent. on china, and a duty ranging as high as 90 per cent. on the cheaper and more common earthenware articles, but the Free-trade Party successfully fought for a reduction to 20 per cent.

Mr. Hume Cook.—Where did the honorable member obtain those figures?

Mr. ROBINSON.—From Mr. Coghlan's return.

Mr. Isaacs.—But it does not say that the proposed duty on the articles just referred to ranged from 20 per cent. to 90 per cent.

Mr. ROBINSON.—The proposed duty on earthenware was 6d. per cubic foot on the outside measurement of the packages, plus 15 per cent. If one takes packages of the commonest and cheapest earthenware, and measures them in this way, he will find that the duty proposed by the Barton Government would have run as high as 90 per cent. Specific instances were put before the Committee. On floor-cloths the Protectionist Party proposed a duty of 20 per cent., but, thanks to the efforts of the Free-trade Party, they are now dutiable at 15 per cent. About 95 per cent. of the floor-cloths imported by Australia come from the mother country. Honorable members will recollect the heart-breaking struggle which took place over the proposed duty on hats, caps, and bonnets, and how the honorable member for Melbourne Ports was almost moved to tears when the Free-trade Party succeeded in securing a reduction. In some cases I understand that hats are invoiced at 10s. or 12s. per dozen, so that the purposed duty would have run up to 100 per cent. We succeeded, however, in reducing it to 30 per cent. in some, and to 20 per cent. in other cases. The total importation of these goods represents a value of £372,000, and of this Britain supplies £308,000 worth, or something like 83 per cent.

Mr. Isaacs.—And yet the honorable and learned member will not give her a preference.

Mr. ROBINSON. — That is my complaint against the honorable and learned member. He was one of those who objected to British goods coming into Australia, and the Free-trade Party had to fight him and others before they could secure these reductions. The Protectionist Party would have maintained these infamous rates against the mother country. Did they ever call for a division in favour of reducing the duties so far as British goods were concerned? The records do not show that they did.

Mr. Isaacs.—Why does not the honorable member join us now?

Mr. ROBINSON. — Why does not the honorable and learned member support my proposal to give a genuine substantial preference, rather than the make-believe preference which he and his party offer? If he is a genuine preferential trader, I shall welcome his vote when we proceed to a division.

Mr. Hume Cook. — If the honorable member will help us to increase the duty against the foreigners, we shall see what we can do to help him.

Mr. ROBINSON. — I am not to be caught with protectionist chaff. I have seen too many Parliaments duped by statements of that kind to allow myself to be a party to raising the duties under any pretence whatever. I have often fought the Protectionist Party in Victoria, and am familiar with their little ways. Let me turn to other items in the Tariff. Two of the staple products of Great Britain are iron and steel manufactures of various kinds. Of iron and steel—bar, rod, girders, plate and sheet, galvanized plate and sheet, and pig and scrap—Great Britain sends to Australia about £1,300,000 worth out of our total imports of £1,430,000. The Protectionist Party proposed a duty of 10 per cent. and 15 per cent. on galvanized plate and sheet iron, but, thanks to the efforts of the Free-trade Party, the duty was reduced to 15s. per ton. Pig iron and scrap iron is to be dutiable. There is a Bill on the notice-paper in the name of the honorable and learned member for Eden-Monaro, in favour of establishing the iron industry, and of shutting out as far as possible the imports of pig iron and scrap iron and similar articles. The Government proposed a duty of 20 per cent., but the Free-trade Party secured a reduction to 12½ per cent. The value of machines, machinery, and machine tools imported into Australia is about

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£1,850,000, out of which Great Britain supplies us with £1,226,000 worth. The protectionists proposed that these should be dutiable to the extent of 20 per cent. and 25 per cent., but as the result of the efforts of the Free-trade Party, they are now for the most part dutiable at 12½ per cent. For the last month or two demands for increased duties on these articles have rent the air. We have been told in the protectionist press and elsewhere that unless machines and machine tools are kept out of the country the trade will be ruined. Let me now deal with the manufactures of metals such as nails, wire, pipes and tubes, tanks, barbed wire, netting, axles and springs, bolts and nuts, and mixed metals. The value of the imports of these goods is £1,800,000, and of that trade about £1,100,000 worth goes to Great Britain. The Free-trade Party succeeded in reducing the proposed duty in regard to nearly every one of these items; but, unfortunately they were not successful in securing a reduction of the duty on wire nails. As the result of the action taken by the Free-trade Party, the proposed duty on axles and springs was reduced from 25 per cent. to 15 per cent., and on bolts and nuts from 20 per cent. to 12½ per cent. Other reductions were also made, which were opposed by the Protectionist Party, who desired to keep out British goods. As from three-fourths to five-sixths of our imports in these lines come from Great Britain, the benefit of any increase of our imports in this direction would have been largely reaped by the mother country. The Protectionist Party have sought to prevent Great Britain from securing the great bulk of the trade. When the Tariff was under discussion, it was proposed by the protectionists to place a duty of 15 per cent. upon railway material. That duty was reduced by the efforts of the Free-trade Party to 12½ per cent. If it had not been reduced, it would have had the effect, to some extent, of keeping British imports out of this market. At the present time, our imports in this line are valued at £464,000, of which £412,000 worth come from Great Britain. Our importation of vehicles of all kinds, including carriages, bicycles, and motor-cars, is worth about £400,000, of which about £216,000 worth come from Great Britain. A Protectionist Government proposed fixed and composite duties on vehicles, which ranged from 20 per cent. to 80 per cent., and would have largely excluded vehicles of British manufacture. But through the efforts of those who were in favour of a more reasonable Tariff, those duties were very considerably reduced. The instances which I have given show that the Protectionist Party were, during the consideration of the Tariff, seeking to practically exclude from this market not only foreign, but also British goods. It was only by the efforts of those whose fiscal views are the same as mine, that this attempt was frustrated. Therefore, I am justified in looking with a great deal of suspicion on the genuineness of the offer of preference now being made by protectionists. Moreover, I cannot shut my eyes to another manifestation of the manner in which the industries of Great Britain are regarded by the protectionists. The British shipping industry, which was responsible for the settlement of these Colonies, and is the chief glory of Great Britain, so that with its decay British prestige and rule would come to an end, is one to which the Protectionist Party through its leaders, in the last Parliament, promised to give favorable consideration. It was a promise of this kind that Mr. Chamberlain referred to in the great speech on preferential trade, which he made at Liverpool. He took the promise of our protectionists seriously, because he did not know them as well as we know them. At the Colonial Conference, the visiting Premiers passed resolutions, affirming that special concessions should be granted to British ships in the coastal trade of the Colonies, and in the trade between the Empire and the Colonies; and Mr. Chamberlain, in a great speech at Liverpool, appealed to the patriotism and sentiment of the people of that city on this subject. He pointed out that their motto was "Ships, Colonies and Commerce," and he told them that they did right to place colonies in so close a juxtaposition with ships and commerce, and referred to the promise of the then Prime Minister of Australia, that he would regard and assist the interests of British shipping. But when he was making that speech, the Australian Government had on the stocks a Bill whose aim and object was to hamper British vessels engaged in the coastal trade of Australia. The most casual perusal of that measure shows that it was the intention of the Government which introduced it, and which made a placard of its loyalty to the British shipping interest, to deal a deadly blow at that industry. The provisions of the Navigation Bill, if assented to, would have precluded British

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ships from engaging in the coastal trade of Australia. That Government had shown by their action in taxing ships' stores, that they wished to hamper British ships engaged in the Australian coastal trade, and the passing of the Navigation Bill would practically have prevented British shipping from trading in our waters. So that, not only has the Protectionist Party endeavoured to shut out British imports, but they have endeavoured to prevent British shipping from engaging in our coastal trade. Had the Navigation Bill been carried, serious injury would have been inflicted upon the British mercantile marine. I do not think that proposals of the kind to which I have referred are consistent with a regard for the loyalty and safety of the Empire. What Australia should desire is to see the British mercantile marine prosperous and progressive. The British Navy is recruited from her mercantile marine, and the more vigorous and prosperous the latter is, the tighter will be the bonds which unite us with the mother country, and the better the opportunities which the British Navy will have to obtain able and skilful seamen. Not only would the Navigation Bill have inflicted injury upon British commerce, but it would have done great harm to our own producers. The insertion of provisions similar in their nature in the Conciliation and Arbitration Bill were moved, but that proposition was defeated by a narrow majority. These facts should be made known to the British people. They should understand that a large section of the party which says that it favours preference, favours a most one-sided and delusive preference, and one which will not increase British exports to Australia, or British trade in Australian waters. We should make a straight out declaration of what we mean. The honorable member for Hume has done that by the amendment of which he has given notice, and the amendment which I am about to move is a plain, straightforward declaration of my views on the subject. I believe, not in a sham, but in a genuine preference. It was such a preference as that which Mr. Chamberlain had in view, when he said, "Give work to the British workers, and increase the imports into Australia of British manufactures." I would not vote for any motion on this subject which did not contain some such provision as that moved by the honorable and learned member for Angas. I have read Mr. Chamberlain's speeches on the Tariff question, and have been struck with the reiteration of the statement that, unless there is a preference, there will be no Empire. These views have really been crystallized into the epigram "No preference, no Empire." He has said that unless a tax is pur on food, separation cannot be prevented, and I think that we cannot make it too plain that that is not our view of the case, that although we believe that a tax on food would be greatly to the advantage of our farmers, their loyalty would not be diminished if the British people abstained from so taxing themselves. I represent a producing district, and I say that the loyalty of the farmers in my district would not be lessened in the slightest degree if Great Britain decided that preferential trade is not in her interests.

Mr. WEBSTER.—What about the honorable member's loyalty to his constituents?

Mr. ROBINSON.—I am loyal to the farmers of my district. The best way for us to obtain preference is by reducing our duties in favour of the mother country. Does the honorable member think that British manufacturers and ship-owners are so stupid that they will be taken in by a preference which will not give them freer access to our markets? If they do not get anything substantial, they will not give us anything substantial. I believe that we can get something substantial, and I believe that if preferential trade on the lines of my amendment is carried, it will bring about substantial gain to the Commonwealth and to the mother country. I do not, however, believe in increasing the duties against foreign countries. The honorable member for Richmond, in his usual facetious manner, referred to the trade of France and Germany with Australia. A lot of nonsense is talked about the injury which foreigners are doing to Australia. Take our trade with Germany, for instance. We import less than £2,500,000 worth of goods from Germany, and export to that country £6,000,000 worth, of which over £5,000,000 worth is the produce of our soil. Our exports to France are worth about £3,250,000, and our imports from that country about £1,000,000. Our trade with those two countries is, therefore, on a satisfactory basis, and while I should prefer to trade with Great Britain, I do not think we should discourage other customers. It is to the advantage of Australian woolgrowers to have as many buyers as possible

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for their wool, just as it is to the advantage of our wheat-growers to have as many buyers as possible competing for their wheat, and of our dairy farmers to have as many buyers as possible competing for their butter. We should not discourage other nations from buying our goods. To raise our duties against them would be an act of hostility, which I believe they would resent, even at some cost to themselves. Believing as I do that a real, genuine preference cannot be obtained unless a substantial reduction is made in our existing duties in favour of Great Britain, I move—

That after the word "kingdom," paragraph 5, the word "such" be inserted, and that after the word "Ireland" the words "as will afford exports from the United Kingdom substantially freer access to the Australian market than now exists," be inserted.

That amendment carries into effect the opinions which I have endeavoured to place before honorable members, and I hope that a division will be taken upon it before the session closes.

Mr. WATSON (Bland).—I was very hopeful, when this debate was initiated, that an opportunity would have been afforded to arrive at a decision, at any rate, upon the principle involved. Last evening, it was evident that some honorable members were anxious to prevent any decision from being arrived at, but I was quite willing to forego the right to make any remarks upon the subject, even as I am now inclined to curtail my speech, with a view to facilitating some decision on the part of this Chamber. It seems to me that there is a necessity for some indication of the desire of the Australian people in relation to this subject. The honorable member for Parramatta indicated by interjection last evening that, in view of my change of attitude, it was necessary for me to say something upon the question. So far as the principle of preferential trade is concerned, I contend that there has been no change whatever on my part from the moment that the question was initiated. I have hoped for many years past that some day we should be able to bring about something approaching an Imperial Zollverein, by which the different sections of the people belonging to the British Empire, as a whole, could encourage trade one with the other, to their mutual advantage and profit. When the proposal for preferential trade began to assume something like concrete form in the mother country, I expressed from the platform my full belief in the wisdom, from the stand-point of every section of the British family, of establishing preferential trade relations. Upon that principle I have not wavered up to the present time. I do not care who may bring forward a proposal in that direction. It matters not to me if I cannot agree upon matters of general policy with the godfathers of this movement in the mother country or in the Commonwealth. It is my duty—as it is also that of every other individual in the community—to look only at the concrete proposal, and to consider whether it will tend to the advantage of the community. If we think that it will do so, we should support it with our whole hearts. In August last, at Wagga, I stated that whilst I favoured the principle of preferential trade, I saw no reason to take any active steps in the matter until a decision had been arrived at in the mother country. But in the meantime events have marched considerably. Whilst no doubt was expressed by the leading men in England as to the attitude of Australia, I was quite prepared to await developments in the old land, because it seemed to me that the necessity had not arisen for any action on our part. Whilst it was assumed—as the people of England had the right to assume—that Australia desired preference, and that we were prepared to make some sacrifices in order to obtain it, there was no necessity for us to take any active steps. But the speech of Lord Rosebery, at Lincoln, evidenced a disbelief in the desire of Australia to have anything to do with the suggestion.

Mr. THOMAS.—Does the honorable member think that the people of England care very much about it?

Mr. WATSON.—I think that Lord Rosebery is entitled to have his opinions respected. No doubt he thought they were founded on adequate data. I know that there are some people in the Commonwealth who are so utterly opposed to anything in the shape of duties, whether of a local or an Imperial character, that they are quite capable—I do not say intentionally—of misrepresenting the feeling of Australia upon this subject. I have no doubt that the misapprehension of Lord Rosebery was due to that fact.

Mr. THOMAS.—Does the honorable member think that the feeling of the people of Australia is very strong?

Mr. WATSON.—I think that they are extremely anxious that the general principle

of preference should be adopted. I do not for a moment say that they are agreed as to details, nor do I imagine that at this period it is necessary that details should be the subject of argument. Even if at the next general election in England the people were to declare in favour of the principle, a great deal would still have to be done before practical effect could be given to the scheme. It would be necessary to arrange for a conference of representatives of the self-governing States and of the Imperial Government to consider the shape that preference should take, and how far the Colonies might be expected to forego the principle of protection that has been so generally adopted. The Prime Minister last evening referred to the motives that lay behind the suggestion of preferential trade. He said that evidently Mr. Chamberlain was resolved in view of the immense expenditure of Great Britain upon defence that the Colonies generally should be induced, per medium of preferential trade, to shoulder a greater share of responsibility. In arguing in support of the principle of preferential trade, I take no heed whatever of any issues that opponents care to import into the discussion, because it seems to me that, whatever Mr. Chamberlain's abilities may be, or whatever may be said to his detriment by those engaged in English politics, he has at least a sufficient reputation throughout the British-speaking communities to justify him in expecting that any proposal he puts forward seriously shall be considered in the light of his own statements. He has not, so far as I am aware, given any indication that it is his desire in connexion with his proposal for preferential trade, to impose any further duty upon these Colonies in regard to Imperial defence. I have no sympathy, under present conditions, with any suggestion for a cut-and-dried scheme of Imperial Federation. I believe that any scheme of value from the Imperial standpoint must inevitably break down of its own weight, owing to the disproportion between the populations of the various component parts of the Empire. It is absolutely impossible to project any scheme that will not, in the long run, lead to friction, which is at present happily absent from the councils of the nation. Holding these views, I could not subscribe to anything that would even take us in the direction indicated, but I hold that a proposal for a partnership, or an arrangement of tariffs to our mutual advantage, would no more commit us to Imperial Federation than a similar reciprocal arrangement between ourselves and other Colonies would involve our submitting ourselves to their control. We are just as free to arrange a reciprocal trade treaty with the mother country as with other parts of the Empire.

Mr. Joseph Cook.—The honorable member believes in an Imperial Zollverein.

Mr. WATSON.—Yes, but such a one as would relate to trade purposes, and have no connexion whatever with Imperial Federation, or Imperial defence, as those terms are generally understood. A trade treaty for mutual advantage would have no necessary connexion with any proposals that would be involved in Imperial Federation or defence.

Mr. Joseph Cook.—A trade treaty cannot be called a Zollverein.

Mr. WATSON.—The main effects of the Zollverein, as I understand, were of a commercial character. I do not know that it went very much further than that, so far as its actual results were concerned. In any case, I say at once that I have no sympathy with the idea of Imperial Federation at present. I do not know what the future may bring forth. Perhaps many years hence it may be necessary to enter into closer political relations with the mother country, and other portions of the Empire; but whilst the present disparity of population exists, it seems to me to be baying at the moon to talk of any closer connexion than we have at present. As I was saying, the Prime Minister was, I think, inclined to lay too much stress upon the motives of those who are responsible for this suggestion, and I am sorry to say that he went further and attempted to compare preferential trade to the old restrictive laws that England put in operation against her Colonies many years ago, when she had a very false idea—as has since been confessed by her own people—of the manner in which Colonies should be developed, having regard to the advantage of the Empire as a whole. I cannot understand the Prime Minister attempting to draw any parallel whatever between laws which were passed with the distinct object of benefiting England's trade only, of insuring to the merchants of Great Britain the control of the trade of the various Colonies, with the present suggestion, whereby mutual advantage would, it is hoped, be conferred upon the partners. They would enter into an arrangement with their eyes open, and with freedom to alter the contract at any time

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when it was found to be hurtful to either party. I cannot conceive that there is any parallel between the two positions, and it seems to me that the right honorable gentleman was seeking to create a prejudice against the proposal for preferential trade when he sought to compare it to the condition of affairs that existed in England a hundred years ago. Then a reference was made by him to the appeal sent to me by the representatives of the British trade unions, which he said demonstrated the horror felt in England of any food taxation. To my mind the keynote of that document was rather the fear of one particular personality in England, than any particular objection to the proposals that were put forward.

Mr. POYNTON.—A well-grounded fear, too.

Mr. WATSON.—I am prepared to allow the people of Great Britain to judge upon that, as upon other matters that concern them. It is their business to express opinions upon their local politics, and I, for one, heartily sympathize with the suggestion put forward in Mr. McDonald's letter that it is not our place to interfere with the legislation or active politics of England any more than it is the duty of the English people to interfere in the politics of Australia. In either case, I admit that it is for the local people to decide. At the same time, I believe it to be our duty, not only to the people of Australia, but to those of Great Britain, to indicate as clearly as possible what are our own desires, so that they may be taken into consideration when a determination is being arrived at upon the matter. I believe that at the present time the great majority of the trade unionists in England are opposed to anything that would involve the taxation of food. I am under the impression, however, that they are liable at present to overrate the importance to themselves of food taxation of the kind suggested, and to underrate the amount of compensation that may be given to England under an effective scheme of reciprocal trade relations with the various Colonies. I am inclined to that view, but I say, at once, that it is for them to decide, in view of the local circumstances. I believe that with the lapse of time, and the greater information that will be made available to them as months go on, there is every possibility of a change taking place, even in the views of those gentlemen who have been so emphatic in their opposition to the scheme up to the present time. The Prime Minister said that freedom of trade had lifted the masses of England from misery. I do not propose at this stage to enter into a lengthy discussion of the causes and effects, so far as the industrial position of England is concerned. It must be admitted that we must always consider, not only the mere fiscal arrangements, not merely the Tariff which has been in operation, but the surrounding circumstances, and my conviction is that in Great Britain the progress of invention, and its effect upon production throughout the world, has done more for the masses of Great Britain than has been accomplished by any alteration of the Tariff. I believe that the cheapening of produce throughout the world has brought within the reach of the British working man commodities which he had no opportunity of obtaining with the limited purchasing power which he possessed a few years ago. The same cause has produced a similar result in every civilized country in the world, irrespective of whether it is protectionist or free-trade.

Mr. JOSEPH COOK.—Not to the same extent.

Mr. WATSON.—Last night the Prime Minister drew attention to the fact that there is a smaller proportion of able-bodied paupers in England to-day than there was in 1854.

Mr. JOSEPH COOK.—That is another point.

Mr. WATSON.—While the right honorable gentleman's figures were correct in that connexion, it is a fact that the expenditure of England upon poor relief to-day is as much as it was between 1840 and 1850.

Mr. JOSEPH COOK.—And is therefore relatively much less.

Mr. WATSON.—No. It is just as great per head to-day as it was fifty years ago. To-day it is 6s. 1d. per annum, whereas in 1850 it was 6s. 2d. per annum. In France a big reduction has taken place in the amount expended in that direction per head of the population. The number in receipt of poor relief in that country was reduced from 79 per thousand in 1850 to 41 per thousand in 1887. I repeat that in France and other countries there has been a reduction in the measure of suffering experienced, and an improvement in the condition of the people, which corresponds fully with the increase in comfort which obtains in England to-day as compared with the conditions which prevailed there

fifty or sixty years ago. These facts show that the improvement of the British people has not necessarily been due to the adoption of a free-trade policy.

Mr. JOSEPH COOK.—Did the honorable member hear the figures which were quoted by the honorable member for Grey this afternoon?

Mr. WATSON.—I did not. I obtained my statistics from *Mulhall*, who is ordinarily regarded as a very reliable statistician. The alteration of conditions to which I have referred has been general throughout the civilized world. Whilst I contend that the worker does not receive anything like a reasonable proportion of what he produces, I must admit that, with the progress of inventions, there has been a material improvement in his condition in all civilized communities. I hope that that improvement will continue, until each section of the people will receive a much fairer distribution than obtains at the present time. Then we have to consider what is the position of British trade to-day. Whilst our free-trade friends congratulate themselves upon the fact that since 1860 there has been an enormous expansion in production and in the export trade of Great Britain generally, it must be recollected that there were special circumstances which contributed to that result. There was first the fact that at the time the free-trade campaign was conducted in Great Britain that country occupied a unique position, especially so far as manufacturing was concerned. She had a start in the industrial race, which she retained for a considerable time. Indeed, it is only recently that other nations have shown any determination to progress industrially, and have become serious competitors in the markets of the world. But for a few years past there has been every indication that unless some general movement is made throughout the Empire the competition of the foreigner will become keener and more effective every day. I think that the adoption of Mr. Chamberlain's proposals, which have been endorsed to a large extent by every self governing colony of the Empire, will go a long way towards remedying that condition of affairs. It is admitted that in foreign markets Great Britain has been largely ousted by her competitors, because the latter have maintained their home markets by a rigid wall of protective duties. It is only in the Eastern and colonial portions of the Empire that Great Britain has obtained anything like reasonable treatment. I am aware that it is customary for those who consider that no change is necessary to declare that even if Great Britain has lost trade in foreign markets, she has gained more than sufficient in colonial markets to counterbalance that loss. My contention, however, is that, while until recently compensation was offered to British manufacturers, in that they were sending an enormous quantity of goods to the colonies, we find that of late years the foreigner has entered the colonial markets, and that the old saying that "trade follows the flag" is being falsified more and more every year. Last evening the Prime Minister made some references to India. He drew attention to the enormous preponderance of British imports into that country. He stated that an enormous proportion of the goods sent to India last year were of British origin, and consequently he claimed that there was no need, so far as that country was concerned, to fear the competition of the foreigner. But I would direct his attention to the fact that whilst he gave the total quantity of British goods exported to India, he did not give the comparative figures in regard to any recent period. *Mulhall* states that between 1887 and 1897——

Mr. REID.—Those figures are out of date now; I dealt with the position which obtained last year.

Mr. WATSON.—The right honorable gentleman did not deal with the proportions at all. He merely gave the total sum. From the latest information to be derived from *Mulhall*, I find that in India British imports have declined from 58.2 to 45.2—a decrease of 13 per cent.

Mr. REID.—I gave much later figures than those.

Mr. WATSON.—But the Prime Minister did not institute any comparison between British and foreign imports into India. *Mulhall* states that—

> Trade with Great Britain has declined remarkably, while there has been a prodigious increase in dealings with China and Germany.

So far as India is concerned, the competition of foreign nations is becoming much more effective than it has been hitherto, and consequently it is a factor which ought to be taken into consideration. In Australia, again, Great Britain is falling behind. I do not say that she is actually behind, and I hope that she never will be. But there is no doubt that her proportion of exports to Australia has considerably declined of late. In 1891, I find that she exported to this

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country £26,000,000 worth of goods, whereas, in 1902, she exported only £23,000,000 worth, and in 1903 only £19,000,000 worth. If there were no indication of an increase in foreign importations, that decline might not be very significant, because we must admit that we have suffered severely from drought, and that we have recently very much curtailed our borrowing transactions. There was not the same likelihood that we should import largely from Great Britain under these conditions as there was under the conditions which existed some time ago. But I would point out that our imports from foreign countries have increased from nearly £7,000,000 in value to almost £13,000,000.

Mr. LONSDALE.—What lines do these increases represent?

Mr. WATSON.—I obtained my figures from *Coghlan*, which does not give details. I need scarcely point out, however, to the honorable member that from none of these countries do we import much in the way of raw material. Of course, we import some articles from them, such as tea, for example. But so far as tea is concerned, the value of my figures is not destroyed, because the source of importation of that article between the years I have mentioned has changed almost entirely from China to India and Ceylon, which are within the British Empire.

Mr. LONSDALE.—It is in timber, sugar, tobacco, wines, &c., that the increase has taken place.

Mr. WATSON.—The honorable member is mistaken.

Mr. LONSDALE.—I have examined the figures.

Mr. WATSON.—The honorable member must know that a large portion of the sugar which we import is obtained from the Mauritius, which is a British Possession. It is a significant fact that alongside a decline of £7,000,000 in British imports, there has been an increase of £6,000,000 in our imports from foreign countries.

Mr. REID.—Foreign countries import twice as much from India as does the mother country.

Mr. WATSON.—I do not see that that fact affects my argument as to whether British manufacturers are holding their own or being defeated by foreign competitors.

Mr. REID.—Can Australian manufacturers help British manufacturers? That is the question.

Mr. WATSON.—I maintain that it is not the question. The real question is whether we have in Australia a permanent market for British products, if we grant them a preference over the products of the foreigner.

Mr. REID.—There is very little in that.

Mr. WATSON.—I think that there is a great deal in it, as the years roll on, there will be more in it than there is today. It seems to me that there will always be a large proportion of goods which it will not pay us to manufacture locally. Even with the high Tariff which is operative in America at the present time, and notwithstanding the immense population of that country, it has been found that there are some articles which the people will obtain from abroad.

Mr. REID.—In view of the free market which Great Britain gives us, would not the honorable member give her a preference as against foreign countries, without making a bargain for something in return?

Mr. WATSON.—I think that the arrangement should be reciprocal.

Mr. REID.—The free market is there, ready for us.

Mr. WATSON.—She gives it to us, in common with persons outside the Empire who choose to take advantage of it.

Mr. REID.—If she taxed our produce we should look rather sick.

Mr. WATSON.—I do not suppose that she is likely to tax our produce, and to allow that of other countries to come in free. I do not think that it is probable that any attempt will be made by Great Britain to differentiate between us and the rest of the world in that respect.

Mr. REID.—That will never be done.

Mr. WATSON.—I am confident that it will not; but I hold that the arrangement to be entered into should be reciprocal. I lay down no hard and fast rule in regard to the giving of facilities; but, speaking generally, the arrangement should be reciprocal if it is to be of any advantage to Australia. Something has been said during the debate with regard to the position of Canada, and attempts have been made to underrate the effect of the preference extended by Canada to British goods. The Prime Minister stated last evening that Mr. Chamberlain had said that the Canadian preference was of very little value.

Mr. LONSDALE.—And it is not.

Mr. WATSON.—I take leave to differ from the honorable member. The Honorable Mr. Fielding, Treasurer of Canada, judging by the report of his last Budget statement, gave Mr. Chamberlain a very clear

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explanation of the position of the Dominion at the Imperial Conference. By statistics which he has since published in connexion with his Budget statement this year, Mr. Fielding showed that in 1897, immediately prior to the granting of preference, the Canadian importations from Great Britain reached the lowest point they had touched for a great many years. They had dropped to less than $29,401,188, but immediately the preference was granted an expansion took place, until last year the value of British imports into Canada had increased to $58,793,038. During the six years of the operation of the preferential policy, the trade was absolutely doubled.

Mr. LONSDALE.—But did not Canada's trade with the United States expand to a still greater extent during the same period?

Mr. WATSON.—That point has been mentioned before, but I attach no weight to it, for the reason that had it not been for the preference granted to Great Britain the whole of this expansion of trade would have gone to the United States. Why should it not have done so? The United States have every facility, from a geographical stand-point, to send their goods over the border to Canada. They manufacture almost as great a variety as Great Britain, and if it were not for the preference this increased trade would have been lost to Great Britain.

Mr. LONSDALE.—As a matter of fact, has not Canada reduced the preference in respect of woollen goods?

Mr. WATSON.—She did so in June last.

Mr. LONSDALE.—The reduction was made because the preference was unfair to the local manufacturers.

Mr. WATSON.—It was made because there was no reciprocity. The people of Canada, after waiting for six years, saw no movement on the part of Great Britain.

Mr. LEE.—Is that the reason given for the alteration?

Mr. WATSON.—I do not say it is the only reason.

Mr. LONSDALE.—The reason given is that the preference was unfair to the local manufacturers.

Mr. WATSON.—When a reciprocal arrangement is suggested, and a tentative scheme to facilitate it is adopted, with the result that nothing further eventuates, those who are concerned in helping to maintain reciprocal relations lose their enthusiasm, and the more selfish members of the community obtain their own way. What does Mr. Fielding say upon this point? His statement is a significant one. We are told that we should do as other parts of the Empire have done, and offer Great Britain certain concessions without asking for anything in return. I contend that, if nothing be given in return, the inevitable result will be a falling-off in the concessions already made. Mr. Fielding, speaking on the 7th June last, referred in the course of his Budget statement to the position in Great Britain, and said—

> What should be our own action in the matter? We may be influenced in our own preferential policy by what may occur in the mother country in the hereafter. We shall claim a free hand in that respect, but, for the present, we think it is wise policy to adhere to the preferential system, in the hope that it may be adopted more generally throughout the Empire, and that by-and-bye a better understanding may be come to in the mother country, and that it will be adopted there as well.

A distinct inference is to be drawn from this statement, that the preference is to be continued, but that, in the meantime, unless there be a general movement in the direction of reciprocity, Canada will reconsider her position.

Mr. JOSEPH COOK.—No.

Mr. WATSON.—What other construction could be placed upon the language he used? To my mind no other is possible.

Mr. JOSEPH COOK.—What is the immediate context?

Mr. WATSON.—I have read the complete paragraph. The preceding paragraph refers to the position in England, whilst the succeeding one relates to what Canada proposes to do immediately in reference to Tariff alterations. The honorable member for New England will perhaps remember that, whilst Canada increased the duty on woollens by a small percentage, she decreased the duty as against Great Britain on one or two other items. Great Britain had a preference of one-third of the total Tariff, and in the case of china and glass, for example, that preference was increased to one-half, so that where the foreigner paid 30 per cent. on goods of this class which he exported to Canada, the duty paid on British imports would be only 15 per cent. That would be to some extent a set-off for the increased duty on woollens. I have pointed out that Canada is giving a material advantage to the manufactures of Great Britain by her instalment of Preferential Trade. A number of honorable members, however, say that the concession has had no effect. The same honorable members will tell us that the difference

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between a 20 per cent. and a 30 per cent. Tariff constitutes the difference between a high and a prohibitive protection. When dealing with a duty that is proposed to be imposed in Australia, the free-trade members of the House will denounce any attempt to fix a high Tariff; but when Canada reduces her high Tariff to a moderate one, in the interests of Great Britain, they say that such action has been of no value.

Mr. JOSEPH COOK.—I do not say that.

Mr. WATSON.—Some honorable members make that assertion, although I do not understand their reasoning. A further lesson to be drawn from the position of Canada is that this bargaining must be reciprocal, if there is to be any permanence—that a one-sided preference could not continue.

Mr. EWING.—Without it there is no consummation of the policy.

Mr. WATSON.—Quite so. I am not speaking of any small concession that might be made, but I should object to any general arrangement unless it were of a reciprocal character. The Prime Minister last evening made some remarks with reference to the position of the British farmer under a preferential scheme. He asked why, in the interests of the farmers of Australia, the British farmer should be called upon to suffer under a system of preferential trade. He seems to imagine that under such a policy the British farmer would be in a worse position than he is in at present.

Mr. KELLY.—It is argued that he will be very much better off.

Mr. WATSON.—The Prime Minister argued in the opposite direction.

Mr. KELLY.—I think he was only putting that argument in a satirical way.

Mr. WATSON.—If that be so, then, notwithstanding the brightness of the right honorable gentleman, it seems that it is necessary to label his jokes—"This is sarcasm." I thought that he was speaking seriously, and was going to say that the British farmer has to-day to face the competition of the whole world. He certainly will not be placed in a worse position if the area of competition be limited to the British Empire.

Mr. EWING.—If the argument be correct that the consumer will have to pay more, the British farmer must be benefited.

Mr. WATSON. — I do not anticipate that any large increase in price will result from the imposition of the duties suggested by Mr. Chamberlain. I admit that an impost of 3d. per bushel, or 2s. per quarter, would be of material advantage to the producers of Australia, but I do not think it would cause prices to increase to any large extent. It certainly would not materially prejudice the interests of the consumer. I shall not say more on that point, except that it seems absurd to suggest that the adoption of this proposal would place the British farmer in a worse position. It reminds me of an argument that was advanced by one of the Sydney newspapers, and which has been reiterated by some honorable members of another place, that if, as the result of Preferential Trade, the price of wheat were increased in England to the extent of 3d. per bushel, all the consumers in Australia would have to pay an increased price for their bread.

Mr. JOSEPH COOK.—So they would.

Mr. WATSON.—It does not necessarily follow that they would suffer any increased price. Does the honorable member mean to say that he can obtain his bread any cheaper when there is a fall of 3d. per bushel in the price of wheat in the Sydney market? I have not found that I can. I remember seeing bread sold at 2½d. the 2lb. loaf when wheat was considerably dearer than it is to-day. In any case, an impost of 3d. per bushel would be very difficult to pass on in the shape of an increase in the price of the ordinary 2lb. or 4lb. loaf.

Mr. JOSEPH COOK. — Protectionists always say that the duty can be passed on until it becomes protective.

Mr. WATSON. — I hold that it altogether depends on the amount. The honorable member will recollect that the brewers of Sydney objected very strongly to the proposal of the local Legislature to impose an Excise duty on beer, because it was said that it would be difficult for them to pass it on. As a matter of fact, they have not succeeded in passing on the impost to the consumer.

Mr. POYNTON.—They succeeded in South Australia, by making the glasses smaller.

Mr. WATSON.—I am sorry to hear that the people of South Australia have been got at in that way. In New South Wales the regulation price of a pint of beer has not altered.

Mr. JOSEPH COOK.—Wheat, above all things, must be affected uniformly throughout the Empire.

Mr. WATSON.—I do not admit that, because the experience gained in connexion

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with the imposition of a registration fee of a shilling a bushel on wheat entering England, which was exacted at the time of the war, was that it was not passed on.

Mr. JOSEPH COOK.—One of the honorable member's colleagues to-day proved that it was.

Mr. WATSON.—My memory as to the figures is quite distinct from that. I am not at present convinced that that was the case. We are asked by the honorable and learned member for Wannon, and some other honorable members of his way of thinking, to get down to facts and concrete proposals. So far as I am concerned, I think that this is too early a stage in the negotiations to do anything of that kind. It seems to me that it is idle for us now to put forward our ideas as to the exact shape that preference should take, when there must be consultation and conference on the subject generally between the representatives of the dependent self-governing portions of the Empire and the British Government. All detailed consideration must be referred to some such conference before anything definite or concrete can be proposed. I do not desire to put Australian manufacturers in a position in which they would be at a disadvantage in the struggle for existence.

Mr. POYNTON.—The honorable member would not agree to India sharing in the preference.

Mr. WATSON.—No, except in regard to such products as tea. I would not give a preference to products made by Asiatic labour which would come into competition with the products made by white people here, though I am prepared to give such a preference to the products of the white labour of Great Britain. I think that Australia might very well increase her duties against the foreigner. If she did that, she would not have a higher Tariff than is in force in Canada.

Mr. JOSEPH COOK.—It is not so easy for other countries to export to Australia as it is for them to export to Canada.

Mr. WATSON.—I do not think that there is much difference, so far as exportation from England is concerned. As the honorable member knows, the freight from England to Australia is not very much higher than the freight from England to Canada.

Mr. JOSEPH COOK. — But the United States are right on the borders of Canada.

Mr. WATSON.—I am speaking of goods coming from Great Britain. Canada reduced her duties against Great Britain, but she had at the time a higher Tariff than we have.

Mr. KELLY.—Her reduction of duties has not benefited Great Britain when compared with the United States.

Mr. WATSON.—I have been attempting to prove that it has materially benefited Great Britain, and the increased export trade of that country would have gone to the United States had it not been for the preference. The honorable member may be able to controvert my statement, but my opinion is that Great Britain has benefited.

Mr. JOSEPH COOK.—Do I understand that the honorable member is not prepared to reduce duties on imports from Great Britain, speaking generally?

Mr. WATSON.—I should not like to lay down a hard and fast rule, but speaking generally, I say that our duties for the maintenance of industries are, as protective duties, very low. One cannot properly speak of a duty of 15 per cent. as a highly protective duty. To my mind, it is merely a shade higher than a revenue duty. Many of the colleagues of the honorable member regard 10 per cent. duties as revenue duties.

Mr. BROWN.—How can we have preferential trade and protection at the same time?

Mr. WATSON.—We need not have prohibitive duties, such as are in force in some countries; but if the United States Tariff were reduced in favour of Great Britain from 45 to 30 per cent., Great Britain would obtain a preference, while there would still be a protection of 30 per cent. to the local manufacturer.

Mr. MCLEAN. — Notwithstanding our Tariff, Australia is importing nearly £40,000,000 worth of goods a year.

Mr. WATSON.—Yes. But irrespective of the maintenance of the present duties against Great Britain, which for the most part are low, I would point out that we have an enormous free list, exempting articles of very high manufacture, such as machinery and tools of trade. If Great Britain had a preference in regard to the free list alone, it would be of advantage to her.

Mr. POYNTON. — Our manufacturers would complain then, because they would say that these things ought to be entirely free.

Mr. WATSON.—It is always difficult to satisfy manufacturers, because, while one man wishes to have a duty placed on an article, another insists that it should be

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admitted free as a tool of trade. That was our experience in dealing with the Tariff. A preference in regard to the free list alone would be of material advantage to Great Britain. Surely it must be admitted that if she could supply the whole of the importations on the free list, instead of only a portion of them, it would be helpful to her industries. The honorable and learned member for Wannon seems to think that it is impossible for us to be honestly in favour of preferential trade, and of protection for the development of the industries of Australia. But he quoted Mr. Chamberlain, who said that the Colonies, without injuring their own manufactures, are offering greater facilities to British trade. Mr. Chamberlain recognised that it is a *sine qua non* that the Colonies must not injure their own manufactures, that they must not do anything which would prejudice them to any material extent.

Mr. WILKS.—He asked us not to enter upon further industries.

Mr. WATSON.—He did not insist upon that.

Mr. JOSEPH COOK.—It was not popular, and therefore he dropped it.

Mr. WATSON.—I have heard that asserted, and I know that it has been denied. Even the best of us are liable to make mistakes in the presentation of a big case.

Mr. JOSEPH COOK.—We are liable to make changes. The honorable member has made one on this subject within the last four months.

Mr. WATSON.—The honorable member is an adept in that sort of thing, so that he should be able to judge. I have stated that I have not changed my opinions in regard to the principle involved. I said at Wagga that I was strongly in favour of preferential trade. My only change is as to the desirability of taking immediate action. I have explained why I now think it necessary to take some action.

Mr. WILKS.—Does the honorable member think that the Empire will break up if immediate action be not taken?

Mr. WATSON.—No; but it would be of advantage to the constituent elements of the Empire to have greater facilities for mutual trade than exist at the present time. I do not say that loyalty to the Empire is to be measured by the degree of advantage that is to be given.

Mr. WILKS.—The honorable member is out for bargains.

Mr. WATSON. — Certainly. Why should we not bargain, if it is to the advantage of both sides to do so? I have no patience with the "namby-pamby" sentiment that we should not bargain amongst ourselves. Why should I not make bargains with a relative as much as with a stranger?

Mr. WILKS.—It would be a bad bargain for him if he had to give the honorable member 2s. every time he met him.

Mr. WATSON.—If I gave him four sixpenny bits in return, he would not be a loser. Both seller and buyer are richer for a trading transaction, so long as one requires the goods and the other the money.

Mr. WILKS.—That is a free-trade argument.

Mr. WATSON.—Free-traders believe in being always the buyers and never the sellers. I do not think that it is necessary for me to say anything more on this subject. It is my strong conviction that the movement is in the right direction. While it is not likely that the feelings of the Colonies towards the mother country will change, it is wise to provide against contingencies. It does not follow that Imperial Federation would be built upon a scheme for Preferential Trade. But as a mutual advantage accrues from improved trade relations between the various sections of the British people, the feeling will grow up that it is necessary for them to stand together, that their interests are one, and that they can afford to disregard action taken by foreign countries to injure their trade and commerce.

Mr. JOSEPH COOK (Parramatta).—I am glad to have heard the speech of the honorable member for Bland. He has now made a definite statement as to his attitude in regard to importations from the mother country. He has told us that, broadly speaking, he is in favour of the maintenance of the existing protective duties against the industries of Great Britain.

Mr. WATSON.—And of raising our duties against the foreigner.

Mr. JOSEPH COOK.—In the old country, they are not so much concerned about that, as they are about our attitude towards them. What we wish to know precisely is what the honorable member, and those who are co-operating with him, intend to propose in regard to the importations from Great Britain. The motion speaks of a reciprocal preference, and we now know that what is intended is a preference "up" against the foreigner, not a preference "down" in favour of Great Britain. The honorable member went on to say that while he would main-

tain the protective duties which now exist against the manufactures of Great Britain, he would not object to the taxation of the tools which our manufacturers are allowed to import free. That statement will be read with a great deal of interest by them. When we were discussing the Tariff, he was very much in favour of tools of trade being admitted free.

Mr. WATSON.—I do not think I said anything on the subject.

Mr. JOSEPH COOK.—I think that the honorable member will find that he did. I know that the members of his party as a whole were opposed to the taxing of tools of trade.

Mr. WATSON.—The honorable member's imagination is running away with him.

Mr. JOSEPH COOK.—The honorable member is very glib in making statements of that kind. He made a similar assertion last evening, when he denied that there had been any change in his attitude.

Mr. WATSON.—I said that there had been no change in my attitude with regard to the principle.

Mr. JOSEPH COOK.—We shall soon see whether there has been any change in the honorable member's attitude. I shall quote from the reports, which appeared in the *Argus* and the *Age*, of the speech delivered by the honorable member at Wagga in August last. The reports do not differ, except that that which appears in the *Age* is the fuller one. According to the *Argus* the honorable member said that he saw no necessity for the holding of a Conference in London at present. He pointed out that a Conference had been held, which was attended by Mr. Barton, at which resolutions in favour of preferential trade had been carried. He then went on to say—

> We should therefore wait until the mother country had made up her mind on the subject. The first move must come from the mother country, because she has the largest interests at stake. I have no intention to allow any words of mine to be used as a lever one way or the other.

If the honorable member still says that his attitude has not changed, I do not know the meaning of words.

Mr. WATSON.—Is any difference of principle involved?

Mr. JOSEPH COOK.—I am not speaking of the principle, but of the honorable member's change of attitude. I say that he has turned right-about-face. He said that it would be improper to take any action until the mother country had spoken, because she had the greater interest at stake. The *Age* report reads as follows:—

> In present circumstances he did not see the necessity of having any conference in London from the Colonies. Our position was to wait until the mother country had made up her mind upon this great and important question. He had always believed in an Imperial Zollverein—in an attempt being made as far as practicable to encourage trade among our own people in preference to other nations. But the first move must come from the mother country, because she had the larger interest at stake. With Australia it was a question of surplus products. With the mother country it was largely a question of life and death as to how far she would be justified in interfering with her ordinary channels of trade. That was a question for those intrusted with the Government of Great Britain, and for the electors of the mother country to decide—not for us in far-off Australia. If the mother country came to a decision that preference was desirable then it would be the proper thing to call a conference to consider the direction it might take.

Mr. WATSON.—I say so still.

Mr. JOSEPH COOK.—Last night the honorable member denied that he had changed his attitude.

Mr. WATSON.—I still say that I have not changed my attitude with regard to the principle.

Mr. JOSEPH COOK.—Does the honorable member still think that we should wait for the mother country to take the first step?

Mr. WATSON.—That is not a matter of principle. The honorable member's implication was that my attitude upon the principle had changed.

Mr. JOSEPH COOK.—I did not say any such thing. I said that the honorable member had stated at Wagga that he would have nothing whatever to do with this proposal until the mother country had taken action.

Mr. RONALD.—Many things have happened since then.

Mr. JOSEPH COOK.—I am quite aware of that. For instance, the honorable member for Bland has changed from one side of the House to the other, and that evidently makes all the difference, even in the attitude of a member of the Labour Party.

Mr. WATSON.—The suggestion is worthy of the honorable member.

Mr. JOSEPH COOK.—I think I am justified in making it. I want to know the reason why the honorable member has changed his attitude upon this question.

Mr. WATSON.—I stated my reason when the honorable member was not here. It is not a very important matter, and I do not wish to discuss it again.

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Mr. JOSEPH COOK.—I should not have spoken of the matter, but for the honorable member's denial last evening.

Mr. WATSON.—I still say that the honorable member is wrong.

Mr. JOSEPH COOK.—The honorable member said that this was a matter of life and death to the mother country, and yet he was prepared to proceed to a vote upon it last evening after three speeches had been delivered. The honorable member, at Wagga, took up very much the same position that was assumed by the Prime Minister last evening.

Mr. WATSON.—No, I declared my adhesion to the principle, whereas the Prime Minister announced himself as opposed to it.

Mr. JOSEPH COOK.—The Prime Minister said that we should wait for the mother country to approach us, and the honorable member for Bland in his Wagga speech also expressed a similar view. That is my attitude upon the subject. When the mother country approaches us in the matter, I shall be very glad to consider any proposals that may be brought forward. Now, I desire to know why the honorable member, whom I regarded as an ally, should have suddenly developed into an opponent.

Mr. WATSON.—I will explain to the honorable member privately.

Mr. JOSEPH COOK.—No one seems to have devoted any attention to the terms of the motion before us. We have been soaring into the clouds.

Mr. HIGGINS.—More like wallowing in mud.

Mr. JOSEPH COOK.—I do not think there was any mud about the speech delivered by the honorable and learned member for Ballarat, who gave us an example of the most delightful. fancy weaving. Unfortunately, however—

> When but a beam of sober reason is displayed,
> Lo! fancy's fairy frostwork melts away.

—that is, when we come down to solid facts. We were not able to induce any honorable member to come down to hard facts until the honorable member for Bland made his declaration this evening. I am very much obliged to the honorable member, who, I believe, said what is meant by every other protectionist, namely, that he was not willing to reduce the Tariff in order to promote larger imports from the mother country. All they are prepared to do is to raise it to the foreigner. The motion opens with a declaration which may be cordially approved by every free-trader. It reads—

> Inasmuch as every increase in trade between the mother country and the Colonies, or any of them, would be of mutual advantage commercially—

I wonder whether these words were written by the honorable and learned member who was the author of the Tariff—the man who spent eighteen months in this House trying to build the Tariff wall as high as he could in order to prevent the importation of British goods.

Mr. HIGGINS.—The honorable member is in favour of admitting the goods of foreign countries as well as those of Great Britain.

Mr. JOSEPH COOK.—But foreign competition with our Australian manufactures is not nearly so keen as is that of the British manufacturers.

Mr. HIGGINS.—In many cases it is keener.

Mr. JOSEPH COOK.—In many cases it may be, but the figures which have been quoted during this debate show that the main competition is between Australian and British manufacturers.

Mr. RONALD.—Nonsense.

Mr. JOSEPH COOK.—The honorable member for Southern Melbourne ejaculates all sorts of silly nonsense whilst other honorable members are addressing the Chair. Why does he not get up and discuss the question—if he can? The terms of this motion indicate a right-about-face on the part of the protectionists. We have heard it proclaimed that free-trade with the old country in respect of machinery, boots, and clothing would bring disaster upon Australia, and yet we are now asked to affirm that it would be a good thing to develop such trade.

Mr. HIGGINS.—With the mother country.

Mr. JOSEPH COOK.—I congratulate honorable members upon their change of attitude. It is of no use for the honorable member for Northern Melbourne to put the matter in the way he has done, because all the arguments of the protectionists were directed mainly against the industrial conditions existing in England as compared with those prevailing in the Commonwealth. I subscribe to the sentiment expressed in the first paragraph of the resolution. The first sub-clause affirms that—

> The encouragement of industry and commerce within the Empire is a high national aim of paramount importance to all its peoples.

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Every free-trader must subscribe to that most cordially. Further on it is suggested that the Prime Minister should be requested to consider the existing openings for preferential trade relations between Australia and other Colonies. There the honorable and learned member for Ballarat comes back to his own work. He admits that there may be openings for closer trade relations between Australia and other parts of the Empire, but that since the Tariff has been passed they require looking for. The honorable member did his best to close up the openings—to plaister them up—and now he desires that the Prime Minister should be authorized to look for any openings that may have been left. It is proposed further that the Minister shall be authorized for and on behalf of the Commonwealth "to offer to the Government of the United Kingdom a preference upon its exports to Australia." If the honorable and learned member for Ballarat had stopped there, I should have been able to support him; but he goes on to say—and here is the fly in the ointment—"in return for a preference upon our exports to Great Britain and Ireland." After having paraded our loyalty, demonstrated our patriotism, and exhibited a burning desire to enter into closer relationship with the Empire, and to develop a better spirit, what is now proposed? When we send a representative to London we are not to despatch a patriotic gentleman, filled with high Imperial aims, but a hucksterer, who is to do business for us and get us further advantages. The honorable member begins with a declaration of loyalty, and ends by displaying a huckstering spirit in our relations with the motherland. In other words, he says, "You give us something, and we shall give you something."

Mr. Higgins.—Is not that good free-trade, to give as little and to take as much as you can?

Mr. JOSEPH COOK.—If the motion embodied free-trade ideas, I should be very much surprised to see the honorable and learned member voting for it. In any case, I do not see how he can subscribe to it, in view of his opinions with regard to Australian nationalism, and his desire to preserve Australian independence of the old country, in every way, in all our relations of Government. When we set out to make an Imperial Zollverein, it is just as well for us to recollect that we must to some extent part with our sovereignty. Our right to levy taxation is the sign and symbol of our sovereignty, and the moment we surrender that right—as we must do, if we enter into an Imperial Zollverein—we part with some of our powers of self-government. When once a Zollverein of that character has been created, it will not be so easy to dissolve it, should it prove unsatisfactory in its operation, as the honorable and learned member for Ballarat seems to suppose. He spoke of the matter the other day as if we were playing with toys, and could easily escape from such an arrangement if it proved objectionable.

Mr. Webster.—What about the arrangement which the honorable member suggests?

Mr. JOSEPH COOK.—I do not say that I am opposed to this idea. I am merely pointing out some of the powers which we shall have to surrender, if we enter into an arrangement of this kind. It may be that we should gain advantages which would compensate us for the surrender of those powers. I believe that we should if my ideas on the subject were carried out. But these are some of the sacrifices which we must inevitably make when we embark upon an undertaking of that character. During the course of this debate, some honorable members have repeatedly asserted that the market of Great Britain is the greatest in the world. In his splendid speech on Friday last, the honorable and learned member for Ballarat made that statement, which it is just as well to emphasize, seeing that it emanated from so ardent a protectionist. Some honorable members have sought to make it appear that Canada is anxious to enter into a "bargain" with Great Britain. This evening the leader of the Opposition quoted a statement from the Treasurer of the Dominion which indirectly bears upon that aspect of the matter. Why did he not tell us what the Prime Minister of Canada has to say upon it? As a fact, Sir Wilfrid Laurier has expressly guarded against committing himself to any "bargain" of the kind. In speech after speech he has emphasized the fact that he will not be a party to anything which will interfere with the independence of the Dominion. No honorable member can show me where he has departed from that attitude.

Mr. Hume Cook.—We do not propose to yield up any of our independence.

Mr. JOSEPH COOK.—But the honorable member's party proposes to make a "bargain" with the mother country, which

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is precisely what Sir Wilfrid Laurier has refused to do.

Mr. WATSON.—Sir Wilfrid Laurier has asked that there shall be a reciprocal preference.

Mr. JOSEPH COOK.—No.

Mr. WATSON.—Look at Mr. Fielding's Budget Speech.

Mr. JOSEPH COOK.—He is not the mouth-piece of the Canadian Government. Whilst he may make a patriotic demonstration for the moment, his chief prudently refrains from committing himself.

Mr. HIGGINS.—Every man who enters into an agreement sacrifices his liberty to a certain extent.

Mr. JOSEPH COOK.—Of course he does. But Sir Wilfrid Laurier has been emphatic in declaring that he will not surrender any of the independence of Canada. Although he has granted a preference to British goods, upon two occasions that preference has been in the nature of a free gift. He has affirmed that he will be no party to entering into an Imperial Zollverein.

Mr. WEBSTER.—Is there not a great dissimilarity from a geographical stand-point between Canada and Australia?

Mr. JOSEPH COOK.—Yes; but there is no difference from a constitutional standpoint. The Dominion can exercise the same power to tax the goods of the mother country that we exercise.

Mr. WATSON.—Does the honorable member mean to say that Sir Wilfrid Laurier does not ask for reciprocity?

Mr. JOSEPH COOK.—I do. I claim that the honorable member cannot show me any speech in which the Prime Minister of the Dominion has preferred such a request. I have carefully read his utterances upon the subject, and I have always found him employing the most cautious and guarded language in that connexion. Presently I intend to quote from a deliverance by Lord Rosebery, who has pointed out the same fact regarding Sir Wilfrid Laurier. Most honorable members will admit that we should never have been discussing preferential trade proposals in this Parliament if it were not for the fact that Mr. Chamberlain is at the present moment prosecuting his mission in the old country. I subscribe entirely to the suggestion of the Prime Minister that the chief object of that gentleman, who is now leading the Tories of Great Britain, is to divert the attention of the electors from other matters at the forthcoming contest, which will apparently be waged very bitterly. Anybody who reads the Home papers must know that the fate of the present British Government is sealed. They led the people to expect that the increased taxation imposed upon them during the South African war would be merely of a temporary character. Now the electors have discovered that that increased level of taxation has become normal. Consequently there is an outcry for economy in the government of the country. That matter, together with the education question and several others, has made it impossible for the Tory Government to retain power after the next election. Mr. Chamberlain is therefore busily engaged in urging all the old pleas regarding loyalty to the Empire, brotherhood, &c., with a view to inducing the electors to again return the Tory Government to office. Honorable members who belong to the Liberal Party may well pause when they find this movement being headed in the old country by those who have championed every proposal which has been supposed to be hostile to the liberals at Home. The workers of the mother country are opposed to Mr. Chamberlain's proposals. Why? Not so much upon their merits, as because they recognise that that gentleman is endeavouring to side-track the liberals and the labour forces at Home at the forthcoming contest.

Mr. AUSTIN CHAPMAN.—The honorable gentleman was a great admirer of Mr. Chamberlain some time ago.

Mr. JOSEPH COOK.—I am a great admirer of him now. From a political stand-point, I think that Mr. Chamberlain is the ablest and certainly the cutest, man in Great Britain. But I do not regard him as the only sacred repository of everything that makes for the solidarity of the Empire. There are other politicians who entertain just as sincere a regard for the Empire as he does, and foremost amongst them I would place Lord Rosebery, whose services are at least equal to those of Mr. Chamberlain. Much as I admire the latter, and much as I respect him for his ability, I do not think that he represents the opinion of the old country upon this particular matter. My trouble is that I cannot exactly locate his position in regard to it. He disclaims that he is a protectionist. In a speech which he delivered at Luton recently, he stated that he was not a protectionist any more than was Mr. Balfour. He said—

I have put forward, as plainly as I can, the remedy which I propose for a state of things which we all deplore, and I have done so on

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what I think is a sure foundation, because the policy which I suggest to you is a policy which has been tried, and while our policy during recent years has failed, the policy of Continental nations, the policy of our kinsmen across the Atlantic in the United States of America, the policy of our own children in the self-governing Colonies of Great Britain, has succeeded.

If that is not an indorsement of a protective policy, I should like to know what is. Yet in the same speech he declares that he is not a protectionist any more than is Mr. Balfour. In this connexion I think that Lord Rosebery's criticisms of his statements were perfectly justifiable. He declares that he does not know where to find Mr. Chamberlain, that the latter is first hopping about upon his preference leg, and then upon his protectionist leg, while the Government hop round on the free food leg and the retaliatory leg.

Mr. ROBINSON.—That is the position of some honorable members here.

Mr. JOSEPH COOK.—Exactly. It is a fact that most honorable members who are ardent protectionists strongly support Mr. Chamberlain's proposals. The two things may not be inconsistent from their standpoint, but they certainly are from mine.

Mr. HIGGINS.—How does the honorable member explain the fact that so many good men are deserting the true fiscal faith?

Mr. JOSEPH COOK.—I do not blame the honorable member for changing his opinions. I changed mine many years ago, but, I am glad to say, before I came into public life. The point I wish to make, however, is that honorable members who talk of preference, and ask free-traders to join with them, express the determination that, so far as they are concerned, preference shall mean protection, and nothing more. Honorable members will recollect the report of an interview with the honorable and learned member for Ballarat which appeared in the *Age* on Tuesday last. After debating the pros and cons of the question the honorable and learned member said in conclusion, "In short, we want to perfect protection for Australia, and to secure protection for the Empire." He has the effrontery to appeal to free-traders to join with him to achieve that object. These honorable members are playing upon the credulity of the Australian people, and particularly upon the credulity of the people of the old country, when they endeavour to make them believe that they are yearning with a desire to assist them, their real object being to make themselves more secure from them in their trading relationship. Nine-tenths of the speech delivered by Mr. Chamberlain at Luton was pure protection. He concluded with a reference to preferential trade, and of course dragged in the old gag—I can describe it by no better name—that if the people of Great Britain did not vote for his preferential trade proposals they would be in danger of losing the Colonies. A greater slander was never perpetrated upon the people of Australia. Listen to his peroration—

We shall be saved from a great danger—a danger to which I have called your attention—that if we do not meet the wishes of our colonists they may be driven into arms which are eager to embrace them. They may make arrangements with other countries less pedantic, less antiquated than we are ourselves, and we may lose the trade upon which we are already becoming more and more dependent. We may increase that trade and increase the bonds which it involves, or we may lose that trade and lose with it the friendship and affection of our Colonies, and we may lose and have to mourn the loss of an occasion which can never be repeated.

I can conceive of no greater libel upon Australia and Australian institutions than declarations of this kind on the part of prominent politicians in the old country. In view of these statements we need to have some such declaration as that which the honorable member for Angas proposes to add to the motion. We should say clearly and distinctly that our loyalty does not depend upon our trade connexion with the mother country. It would have been a poor look-out for us had it been so in the past, and we should emphasize that point as strongly as possible. I wish now to quote a few words bearing on the attitude of Sir Wilfrid Laurier. I have not risen to argue this question, but to indicate what my attitude is. Lord Rosebery, speaking of the colonial offers made, said—

I am quite aware that in some of our Colonies preferences have already been granted to British products. In Canada, in South Africa, and in New Zealand that has been the case. In Canada it was specially stated some time ago that it was granted, not as a matter of barter, but as a matter of grace and favour and loyalty to the mother country, and in that case, as in other cases, I think we are entitled to consider these offers as free gifts, free concessions from the Colonies, in return for the enormous burden of national representation and national defence, which falls almost entirely on the over-taxed taxpayers of the United Kingdom.

Now, gentlemen, I pass to the utterances of Sir Wilfrid Laurier, and I observe that they are very cautious, very guarded statements, purposely vague statements, as to his general wish for commercial relations between the mother country and Canada. I know that Sir Wilfrid Laurier is in the throes of a general election. I do not know the circumstances in which he is speaking, except

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so far as regards the general election, and I should like to see the text of all these speeches before I comment too closely on the extracts which are furnished us through not unbiased channels. But there is a speech of Sir Wilfrid Laurier's bearing on these questions which I recommend you to cut out and take to your homes and preserve as the best possible statement of the situation and relations of the British Empire in its various parts which has ever been uttered by a British statesman. "There are parties who hope to maintain the British Empire on the lines of restricted trade"—there were not many people when he said this of that kind; there is one very eminent one now. "If the British Empire is to be maintained it can only be by the most absolute freedom, political and commercial, in building up this great Empire. To deviate from the principles of freedom would be by so much to weaken the ties and bonds which now hold it together."

Mr. WATSON.—Sir Wilfrid Laurier is a good protectionist. He believes in 35 per cent. duties.

Mr. JOSEPH COOK.—I always thought that he was a good free-trader.

Mr. WATSON.—We welcome free-traders of his class.

Mr. JOSEPH COOK.—It would not be wise for the honorable member to do so, for if he were in Australia, instead of being in Canada, he would be an unrelenting opponent of the protectionists of the Commonwealth.

Mr. WATSON.—His 35 per cent. duties would do very well.

Mr. JOSEPH COOK.—He has not imposed any 35 per cent. duties.

Mr. WATSON.—He has recently increased some of the duties.

Mr. JOSEPH COOK.—Which had been previously reduced.

Mr. WATSON.—He has restored them to their former level.

Mr. JOSEPH COOK.—At the dictation of the protectionists of Canada.

Mr. WATSON.—That is not complimentary to him.

Mr. JOSEPH COOK.—I presume that the Prime Minister of the Dominion does not constitute the whole Government of Canada.

Mr. WEBSTER.—Any more than the Prime Minister of Australia constitutes the whole Government of the Commonwealth.

Mr. JOSEPH COOK.—I believe that Sir Wilfrid Laurier is a free-trader at the head of a Protectionist Government.

Mr. ISAACS.—And a preferential trader.

Mr. JOSEPH COOK.—He believes in a free, unconditional preference. Unlike honorable members who frame motions of this kind, he is not a preferential huckster. He has made a free gift of preference to the old country as a matter of grace and loyalty, and not as part of a bargain.

Mr. ISAACS.—With considerable expectation and hope that there will be reciprocity.

Mr. JOSEPH COOK.—That hope may have been entertained by others, but certainly not by Sir Wilfrid Laurier. On the contrary, he has carefully guarded himself, and has expressed his intention not to be a party to any bargaining of the kind. That was his attitude at the very outset, and, so far as I have been able to ascertain, it has never been modified. I hold that he precisely represents the position of the free-traders of this House in this matter.

Mr. HIGGINS.—Does the honorable member deny that Sir Wilfrid Laurier desires Great Britain to lower the duty on Canadian wheat, as against——

Mr. JOSEPH COOK.—I deny that he has ever asked Great Britain to do anything in relation to her Tariff; he has studiously avoided bringing himself into any relationship which would involve a bargain.

Mr. ISAACS.—But he has allowed his Ministers to officially put forward the statement that he desires——

Mr. JOSEPH COOK.—I presume that he has done precisely what the Prime Minister did last night with respect to his "better half."

Mr. ISAACS.—No; the Treasurer of his Government has put it forward as part of the Government policy.

Mr. JOSEPH COOK. — Honorable members may try as much as they please to make it appear that Sir Wilfrid Laurier is a protectionist, as the leader of the Opposition is seeking to do, and a preferentialist, as the honorable and learned member for Indi would have us believe; but they cannot show that he is either, according to their own standards.

Mr. ISAACS.—We must judge a man by his acts.

Mr. JOSEPH COOK.—Sir Wilfrid Laurier's acts have been in the direction, not of increasing, but of lowering, the Canadian duties.

Mr. WATSON.—That is incorrect; he has increased duties.

Mr. JOSEPH COOK.—Only one or two. The honorable member is making much ado about a very small matter. All this really shows to what extent the protectionists are preferentialists. What happened in Canada was that a preference was given to British goods, and subsequently

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the protectionists said to the Government, "You have given them too much; you must increase the duties again." Honorable members here would keep the duties as high as they can against Great Britain, and, if possible, would raise them against outsiders. My attitude is a very simple one. Great Britain has done much for Australia. In the first place, she has given us practically a Torrens title; she has given us sovereign power; she has given us the right to tax even herself, and we have exercised it—I think, in a churlish and selfish spirit. She gave us a navy to protect us when we could not help ourselves, and has watched our steps on the way to our present position of influence and power.

Mr. HIGGINS.—Does the honorable member say that she has given us a navy?

Mr. JOSEPH COOK.—The honorable and learned member is quibbling about terms. This is not a police court. I say that the Home Government has placed her navy at our disposal. She has guaranteed a safe passage for our produce to every part of the world, and whilst she has been "policeing" our commerce on the high seas we have been trying to shut the door on her to the greatest possible extent.

Mr. McDONALD. — She draws £14,000,000 a year by way of interest from us.

Mr. JOSEPH COOK.—I was just going to say that she has found the capital for the development of Australia. Whatever interest we have to pay, I do not think any one would deny that if it had not been for Great Britain's readiness to give us capital on better terms than foreigners would have given it to us, we should not have been in our present state of development. Then, again, Great Britain has furnished us from the first with consular services throughout the length and breadth of the world. An Australian has been placed upon the same footing as a Britisher. Wherever he goes, he is able to appeal to the British Consul, towards the maintenance of whom he has not contributed a penny, and to obtain the same protection from him as a man who has been contributing to the cost of his office in the old land. So far as I am concerned, my attitude is this: I wish to take down our duties, to give Great Britain free access to our markets if she cares to come here and take advantage of them. In such an Empire as ours there ought to be none of these artificial distinctions between men of the same standard and race. If the Empire is good enough to fight for, it ought to be good enough to trade with. Therefore I say that, instead of sending a huckssterer to London to barter and bargain for further concessions from Great Britain, I would, here and now, give her a preference—a gift if you like—in the way of Tariff reductions, without making any stipulations whatever.

Mr. KELLY (Wentworth).—Like the honorable member who has preceded me, I have been struck with the very great change which has come over the views and ambitions in respect to preferential trade of the party from which the present proposals have emanated. Only a year ago, we had it stated on every platform in Australia by supporters of the then Government, who are supporters of the proposals now before us, that their policy was that England should first grant us a preference on food supplies, and that we should afterwards, as a *quid pro quo*, accord a preference to her manufactures. At that time, I regarded the proposal merely as a red herring drawn across the track of the misdeeds for which every Government is called upon to answer, when it faces the electors. Consequently, I decided that so far as my electorate was concerned, the question of preferential trade should be outside the verdict; and I pledged myself to my electors that, in the event of Great Britain coming forward with a scheme for preferential trade—which, according to the honorable and learned member for Ballarat, was the first occasion when Australian proposals for preferential trade could eventuate—I would resign my seat in this House, go before my electors again, state my views to them, and ask for their concurrence in them. The position is now entirely changed. What are the proposals now before the House? They are, briefly, to consent to the holding of another Conference, to agree to ask the Prime Minister to consider the question, and to make a tentative offer to Great Britain which Parliament is afterwards to be asked to endorse. My position has not changed. I promised my electors that the moment Great Britain made an offer I would resign my seat, and go before them. All that is now proposed is that the Prime Minister shall be asked to consider the question with a view to afterwards allowing this House to come to some decision. If, as the result of a resolution passed by this House, any offer is made by Great Britain—though it is problematic that any

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such offer will be made—then will be the time for me to carry out the pledge which I have made to my constituents. I do not propose to argue the question this evening, because it has already been sufficiently argued. I wish only to state my position in regard to it. We have been told that the adoption of preferential trade would eventually lead to the greater unity of the Empire of which we are a part; but my view is that the proposed system of reciprocal preferences would be detrimental to the very unity which it has been devised to establish more firmly. That is the one view upon which I am relying this evening. Great Britain has scattered all over the world, a number of Colonies, each of which, in its own sphere, now has absolute autonomy. Under the proposals of Mr. Chamberlain, we should have a number of Colonies, each protected in the home markets against the outside world; and, although subject to retaliation therefor, each gaining the advantage of a preference in the food markets of England. As a *quid pro quo*, the Colonies must allow certain advantages to the British manufacturer, and must, therefore, take the risk of foreigners retaliating upon them for doing so. England, of course, buys raw material for the purposes of her manufactures, and she could obviously not afford to place a tax upon it. Consequently, she can offer no preference in regard to raw material. But she has also to import the great bulk of her food supplies, and on those supplies she can offer a preference. As a result, the relative advantage which each Colony will enjoy under a system of Preferential Trade will vary in the ratio which its exports of food supplies to Great Britain bears to its total exports; and the risk it will have to face will vary in the ratio of its exports of raw materials to its total exports. Keeping that axiom in view, I wish to-night, in order to prove my case, to contrast the position of two of the Colonies. If the positions of more than two were contrasted, the relative advantages and disadvantages would be seen to be even more considerable. For the purposes of my argument, I would contrast the positions of Australia and Canada. The staple product of Australia is wool, of which England takes about five-twelfths only. Therefore, we should obtain no advantage whatever in regard to that product, while we should have to stand the risk of retaliation in regard to seven-twelfths of our principal export. Moreover, that risk would have been taken for what is, after all, only a problematic advantage. The benefit which we should receive from Mr. Chamberlain's scheme of preference would be gained only by entering into fierce competition with the sister Colony of Canada, a Colony which, owing to her natural advantages, and comparative proximity to the English markets, holds a position greatly superior to ours. That comparison merely states the fact broadly, without entering into the consideration of several subsidiary lines. It shows that Australia will have to take the risk of retaliation without getting any benefit in regard to her chief article of export.

Mr. HIGGINS.—The United States already impose a pretty stiff duty on wool, without having any reason for retaliation.

Mr. KELLY.—Yes; but that is a very unfortunate statement from the honorable and learned member's point of view. The United States are, practically speaking, the only country in the world which puts anything like a protective duty on wool, and the only country in the world to which we do not send a considerable quantity of wool. The United States take only 3·5 per cent. of our total export of wool.

Mr. HIGGINS.—As it is a fixed duty, they take only the best wool.

Mr. KELLY.—I do not wish to be led into by-paths. I merely say now that there will be a risk of retaliation for a merely problematic gain; I do not say that retaliation would necessarily follow. Now let us look at the position of Canada. The main export of that country is food products, and consequently it is not remarkable that the proposals for preferential trade came from Canada. In 1902 that country exported something like £8,000,000 worth of wheat, flour, and cheese, and about £6,000,000 worth of meats and other provisions. Her only other article of export of any importance is lumber, in regard to which, from the very nature of things, there cannot be retaliation. Thus Canada has everything to gain, and very little to lose, under a scheme of preferential trade. Her position then is relatively very different from that of Australia. If we sought to obtain the advantages which Canada would get, we should have to enter into a fierce competition with her in a common market, where we should both be protected against the rest of the world. Without allowing that factor to enter into consideration, it must be remembered that, if one makes a gift which proves to be greater than he anticipated, he does

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not as a rule blame the donee, he blames himself; but if one enters into a bargain which turns out to be much less advantageous than he anticipated, the natural tendency of human nature is, not to deplore one's own folly, but to impugn more or less the honesty and motives of the other party to the contract. Accepting that view, and remembering the unequal position of the partners under this scheme of preferential trade, it becomes extremely likely that it would be fraught with serious danger to the integrity of the Empire. Great Britain has now a series of self-governing colonies, spread over the broad surface of the world, each of them absolutely autonomous in regard to methods of taxation. If it were proved to any one of them that the manufacturing or commercial interests of the mother country were in need of assistance, it would be competent for it to offer a preference on the articles in the exportation of which from England a decline was said to be taking place. I should have no objection to Australia giving a voluntary preference to Great Britain, but I have the strongest objection to our entering into a bargain, both because I think it would be unworthy of the loyalty under the guise of which we are asked to accept these proposals, and because I think that any bargain which operates unequally will prove a danger to the integrity of the Empire. Honorable members of the party to which I belong would most probably support the giving of a voluntary preference to Great Britain.

Mr. ISAACS.—Why does the honorable member object to Australia obtaining some benefit?

Mr. KELLY.—Then these proposals have been brought forward in order that Australia may get a benefit?

Mr. ISAACS.—Certainly.

Mr. KELLY.—I have stated as clearly as I can the reasons why I object to any bargaining, and why I shall strenuously resist proposals of that nature. What is the use of our seeking to divert the trade of England from the channels in which it now flows to others, which will probably by the very operation of the protective preference we are according it, be dried up before many years are passed? What is the use of our asking her to allow her trade to flow in the channels along which only one-seventh of her exports are conveyed at present, if our whole intention is to build up industries which will eventually compete with those of Great Britain, and entirely put a stop to our importations from the motherland?

Mr. HUME COOK.—Would that be a bad thing?

Mr. KELLY.—It would not be a very good thing for the mother country! We should be acting dishonestly, if we made an offer of preference to Great Britain, and under the guise of pretending to benefit her, really aimed at promoting solely our own advantage.

Mr. ISAACS.—Where is the dishonesty?

Mr. KELLY.—The dishonesty would lie in our pretending that we were entering into a bargain for mutual benefit, whilst our main desire would be to build up industries which would eventually oust Great Britain from the markets which we pretended to open to her. With the object of testing the loyalty of honorable members—their extreme loyalty—I desire to move that the words "in return for a preference upon our exports to Great Britain and Ireland," and the word "reciprocally" be omitted from paragraph 5. The object of the amendment is to offer Great Britain a straight-out preference upon her manufactures, without entering upon what the honorable member for Parramatta has fitly described as a huckstering transaction.

Mr. MALONEY (Melbourne).—I consider that this very important question should be considered from the point of view, both of the mother country and the Commonwealth. The honorable and learned member for Ballarat introduced this motion in a speech that was characterized by the greatest eloquence, but it was difficult for honorable members to understand what he really wished to convey. The honorable and learned member employed a number of high-sounding terms, but there was nothing common-sense or business-like about his pronouncement. If the honorable member is willing to propose that a 5 per cent. preference shall be given to the products of Great Britain as against those from other countries, I shall cordially support him. We do not know, however, whether he intends to propose a reduction of our moderately protective duties so far as British goods are concerned, or whether the existing duties are to be retained as against Great Britain, and higher duties levied upon foreign goods. If it be intended to raise our present duties against foreign goods, I shall cordially support the honorable member. The honorable member for Parramatta spoke strongly against the huckstering

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spirit that was displayed in the terms of the motion. After what occurred in the Transvaal, I view with very strong suspicion any proposals coming from Mr. Chamberlain. If the people of England had the same privileges that we enjoy in regard to the franchise, they would politically tear Mr. Chamberlain limb from limb. The money spent in the unholy Transvaal war would, if spent in other directions, have done much to alleviate the misery and distress that exist in England to day. If honorable members are in favour of giving a 5, 10, or 20 per cent. preference to the old country, let them vote in favour of that concession. We can then send our representative to meet upon equal terms the representatives of the Imperial Government. I honoured the Prime Minister for saying that we should not by any vote of ours impose upon the poor of Great Britain any additional burdens. I recently received a letter from a dear friend of mine in London, who mentioned a striking instance of the distress which exists amongst the poor there. I had written to her on the subject of old-age pensions, and in her reply, she said—

> I wish all good luck to your old-age pension scheme. I am fearing an awful winter for our poor. There is something wrong somewhere; what is to be done? Two days' road work were given last month by the labour bureau to a man at Hackney; he went at six in the morning, lifted his pick axe, and tried to begin, then sunk to the ground and died. The doctor said there was not a trace of food in the stomach, or fat on the body; he could not have eaten for days. Many more of the men were the same, and yet read of the millions held by some. It is awful and wicked.

A splendid article which appeared in the *Age* of Saturday last, contained statements which go far to support the arguments used by the Prime Minister, when he warned honorable members against taking any action to increase the price of food to the poor people of Great Britain. The writer of the article says—

> There is nothing in Greek tragedy more pitiful than the spectacle of a British working man, at this stage of civilization, looking for work, and looking for it in vain." No spectacle is more common here at present. Here is a typical instance reported during the last few days:—The coroner for the Hackney district held an inquest on the death of George Palmer, aged 43, labourer, who had been out of work for two years. The widow stated her husband had applied for work at the labour bureau of the Hackney Borough Council, and on Thursday night received a post card saying he could have two days' employment. He left home at 5 a.m. on Friday morning without having had anything to eat. Later in the day she heard of his death. Wm. Neale, a fellow labourer, who went to work with him, stated that on the way they each had a pennyworth of tea. While Palmer was picking the roadway he said, "Bill, I feel wonderful queer; I think I shall have to give this job in." He advised him to have a rest, and he did so for about five minutes. He then returned to work, but after raising his pick twice, he said, "I can't do any more," and rested against a wall and died. A medical witness gave evidence that death was accelerated by want, and exposure to cold that morning. Cross-examined by coroner: You think he must have lived very hard? Medical witness: I think he must have had a terrible life of it. There was no sign of food in the body. Philip Jacobs, an unemployed cabinet maker, said he had seen a few friends that morning, and had collected 6s. 6d. for the widow. The case was only typical of many in Hackney. Sixteen men were taken on by the bureau last Tuesday, and it was found that ten had had no food at all that day, nor yet the day before; nor had they any money to get it. The remaining six men had just 1s. 4d. between them to live on all day.

Mr. Maloney.

If preferential trade will have the effect of adding one farthing to the cost of the little food which human beings like that can buy, I shall endeavour to prevent its being brought about. According to *Mulhall*, during the five years ending 1880, 630 persons died of starvation annually, and in the five years ending 1895, 335 persons died of starvation in England. It is stated that only ten persons died of starvation last year, but I can scarcely regard those figures as truly representing the facts, in view of the conditions described in the letter and article I have quoted. In the issue of the *Age* which contained the article to which I have referred, there was also published a statement to the effect that the Marquis of Anglesey, who never did a day's work in his life, was scattering about thousands of pounds. There is no doubt that if the people of England had the same privilege that we enjoy in the matter of the franchise, they would soon bring about a great change for the better. I have no doubt that they would be prepared to enter into negotiations with us for the establishment of Imperial free-trade. Those who now hold the power in England, do not intend to give the vote to the working classes, their sole desire being to keep them in subjection. I do not wish to be misunderstood upon this question. I am a protectionist right up to the hilt, believing as I do that no goods which can be locally manufactured should be admitted free to our ports. I cannot forget that it was Mr. Chamberlain who promised the white residents of South

Africa that he would endow them with the franchise, and who, upon the expiration of the war there, swamped that country with Chinese labour.

Mr. JOHNSON.—It is Mr. Chamberlain who is "booming" this movement.

Mr. MALONEY.—I say that I should require everything in black and white from that gentleman. I admit that in the early eighties, when in Birmingham, the home of Radicalism, I admired him. But since then I have learned to view anything that he touches with suspicion. In that respect, I share the opinion of the workers of Great Britain. In speaking of France this evening, the honorable member for Richmond did not do justice to that country. I propose to put before the House certain figures in this connexion. From the *Courier Australien*, which is published in Sydney, I learn that whereas Australia taxes 71 per cent. of all goods imported from France, that country taxes only 2 per cent. of Australian imports. The journal in question states that the French imports into Australia are taxed up to 27.3 per cent. of their value, whereas Australian imports into France are taxed at less than 4 per cent. of their value. If we are to grant a substantial preference to British goods, we might at least ask the Imperial authorities to endow the manhood of England and Ireland with the same political rights which we enjoy in Australia to-day. We might also urge them to employ white workers in the South African mines, instead of the yellow peril. I regard Mr. Chamberlain as the black angel of Great Britain. Can any honorable member honestly declare that we have ever gained one reform for which we have to thank the Conservatives? When the honorable and learned member for Ballarat was speaking on Friday last, somebody made an interjection concerning the change of front which has been effected by Mr. Chamberlain. Thereupon, the honorable and learned member declared that he knew of no man who was better fitted to explain away his action than was Mr. Chamberlain.

Mr. JOHNSON.—He has betrayed every principle with which he has been identified.

Mr. MALONEY.—Throughout Great Britain his name is synonymous with that of the one false apostle of the twelve. I view his late acts as a public man with the most profound contempt. I admit that he possesses abilities of a very high order, but so also does Satan. So far as Great Britain is concerned, Mr. Chamberlain has been worse than Satan. I love the British race, but it makes me sad to reflect upon the infamy which it has been called upon to bear. The House of Lords is composed of 592 members, who are there only by the accident of birth. In the old country, too, the people have to submit to the most infamous land system which obtains in the world. When the Prime Minister declares that he will not increase the cost of food to the English worker by one penny, I ask him whether he cannot request the Imperial authorities to impose something like a sensible land tax in Great Britain, so that its people may be afforded better opportunities in the future? By so doing, a brighter view would be opened up to the British nation, which has too long been subjected to the trammels of caste and class and, therefore, to infamy. I wish that the honorable and learned member for Ballarat would bring down some tangible proposal which we could grip. In the absence of any such proposal, I intend to support the amendment of the honorable member for Hume, who is endeavouring to improve the splendid if meaningless sentences contained in the motion. When the division takes place, I trust it will be found that while we are willing to assist England in every possible way, we view with suspicion and loathing the man who is at the head of the preferential trade movement there.

Mr. RONALD (Southern Melbourne).—There is just one slight error which has been made in connexion with this debate, and which I should like to correct. The fact which I wish to place upon record is that a great proportion of foreign goods—French, German, and American—are shipped to England, and then re-shipped to Australia. That circumstance should not be overlooked. In comparing the relative trade of those countries, it is probable that Great Britain obtains credit for one-half more than that to which she is entitled. I believe in preferential trade, and I have no sympathy whatever with the suggestion that its adoption would raise the price of foodstuffs to the inhabitants of Great Britain. It is quite patent that it will not produce that result. On the other hand, it is apparent to all who have studied the history of protection in America, Germany, France, and Australia, that whatever loss may be occasioned by the increased price of food will be more than compensated for by the increase which will accrue to the

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wages of the people. That is the universal experience. We have a great deal to gain from any such scheme by obtaining a preferential market for our foodstuffs. It is true that we can offer Great Britain very little in return. Hitherto, that fact has proved the chief stumbling-block to the adoption of any such scheme. At the present time we have no reliable statistics as to the amount of trade which is done between Great Britain and her Colonies, because of the transhipment of goods to which I have referred, and because London, by reason of being a free-trade port, is the great emporium of the world. Under a system of preferential trade, however, we shall know with whom we are trading—we shall know to what extent we are trading with people who amass wealth from the labour of human beings, who are semi-slaves or semi-chattels, and who are used by capitalists for the purpose of breaking down the wages of independent workmen in other parts of the world. The advocates of this policy believe that, with rational protection, rational preference, and a semi-Imperial policy, much may be done to improve the condition of the citizens of the Empire. A great deal of abuse has been showered upon Mr. Chamberlain during this debate. It is my unfortunate lot to have never found myself in agreement with that gentleman until the present time.

Mr. Johnson.—The honorable member finds himself in agreement with him at the wrong time.

Mr. RONALD.—It may be so from the honorable member's stand-point, but the fact remains that, for the first time during twenty years, I find myself in agreement with Mr. Chamberlain, and begin to understand, perhaps, some features of his Imperialism which were previously a mystery to me. If the Boer war be the forerunner of a better relationship between Great Britain and her Colonies, it will be one of those evils from which good comes. Much abuse has been showered on a man who, in my opinion, is influenced by the best of motives—that of cementing and consolidating the Empire, and of substituting a union of interests for a union of sentiment. I sincerely hope that his efforts will be attended with success, because, beyond the shadow of a doubt, the British workman stands to win more from his than from any other proposal. I agree with the honorable member for Melbourne that it is necessary that he should have the right to vote to regulate the rate of pay and other conditions of his labour, for without that right he will not reap any of the undoubted advantages that accrue from the policy of protection. That should be the forerunner of this scheme; but in any event a workman so endowed stands to win. I deny that this policy will result in the price of his food being increased; but, should such an increase take place, it will be more than compensated for by the increase of wages which always follows a policy of rational and sound protection.

Mr. Johnson.—It is as dead as a doornail.

Mr. RONALD. — My reading satisfies me that it is not. Whether the protectionist policy is to be carried at the next general election in Great Britain or not, it is as certain as is the fact that the sun will rise to-morrow that the fallacy of free-trade will be seen sooner or later, and that Great Britain will return to a rational system of protection against the semi-slave labour of foreign countries.

Mr. Johnson. — The British Labour Party is opposed to it.

Mr. RONALD. — The British Labour Party has never really had the case properly put before it. In the time of Cobden the British Labour Party considered it a matter of life and death to fight for a free breakfast table, and failed to see that they were throwing away their wages in order to secure that end. They never considered what they were paying for the privilege. Every man who has lived in London, as I have done, and has seen the awful dens of infamy, squalor, and misery that are to be found in its slums, as the result of the competition of foreigners, must recognise the fallacy of free-trade. The workers there have been reduced to a state of wretchedness in consequence of the unrestricted competition of foreigners in the clothing trade, and other branches of industry, and there is no other country in the world whose condition can be compared with the present state of England, and more particularly of London, as the result of the stupid, futile policy of free-trade. Even Central Africa is a paradise as compared with London at the present time.

Mr. Kelly.—Does the honorable member really mean that?

Mr. RONALD.—Undoubtedly. If the honorable member will read *The White Slaves of England*, as well as the reports of various Commissions dealing with the subject, I am sure he will find that the state of affairs which exists in London as

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the result of free-trade is worse than anything to be seen in the rest of the civilized world. It is positively appalling to see the degraded state of the so-called British workman under a policy which was adopted in order that he might secure a cheap supply of food. I give my support to the policy of preference, believing that it is a sound, rational system, that will in the long run prove to be based upon a union of interests between the scattered parts of the Empire. Above all it will substitute that union of interests for a mere sentiment, and in the long run will prove to be the best thing that could have happened to the Empire. Let me ask honorable members who believe in the principle of Imperialism whether we should have had the Boer war if Great Britain had made it worth the while of the Boers to maintain friendly relations with her? I am certain that we should not. When a British Dependency can gain no preference in the home market over the foreigner, one cannot be surprised if such a state of affairs leads to a certain degree of discontent, if not of rebellion in some cases. We all know that an interchange of commodities—a live trade between two countries—is the best security for peace so far as they are concerned, and therefore I say that preferential trade must give solidarity to the Empire, and truly make us one people with one destiny. Let Great Britain have trade relations with her own children, and extend preferences to them rather than to the foreigner. I am satisfied that the adoption of this scheme would do more to consolidate the Empire and to increase its prosperity than would any other system. With the great London market open to us, increased prosperity would result to all engaged in agricultural pursuits in the Commonwealth, and the influence would extend to those engaged in other industries. On the other hand, we should be able to give Great Britain a guarantee that the price of her foodstuffs would not be increased. Surely, then, we ought to adopt a course that will lead to a union of interests as well as a union of sentiment. I wish it God speed.

Mr. REID (East Sydney—Minister of External Affairs).—I suggest that this would be a convenient time to adjourn the debate until to-morrow. I am anxious that the House should deal this evening with the Senate's amendments in the Sea-Carriage of Goods Bill and in the Papua (British New Guinea) Bill, which have been returned to this House. The debate can be resumed when we meet to-morrow morning.

Mr. ISAACS.—And concluded?

Mr. REID.—That is a matter which is not in my hands; it will be for the House to settle it. We certainly shall conclude the debate if we can, but I do not know of any power to compel an honorable member to sit down when he is determined to talk. If I had known of such a power, I should have used it more than once during the last two months.

Motion (by Mr. WEBSTER) proposed—

That the debate be now adjourned.

Mr. ISAACS (Indi).—I am sorry that the Prime Minister should have suggested the postponement of the debate.

Mr. REID.—I suggested, not the postponement, but the adjournment of the debate.

Mr. ISAACS.—It really means the death of this debate.

Mr. REID.—We shall be able to go on with it to-morrow.

Mr. ISAACS. — Unless there is some undertaking that the debate will finish——

Mr. REID.—How can that be given? Who could coerce honorable members to the extent of preventing them from speaking?

Mr. ISAACS.—If I may be permitted to conclude the sentence I was uttering when interrupted, I would point out that the subject is of such vast importance that I think that we ought to endeavour to finish our consideration of the motion to-night.

Mr. BRUCE SMITH.—Is there any urgency?

Mr. ISAACS.—There is great urgency.

Mr. REID.—If the honorable member wishes an opportunity to bring the debate to a conclusion to-night, I would remind him that it may be resumed after we have disposed of the two Bills to which I have referred, but if any attempt of that kind were made, the result might be serious to the motion itself. I do not desire to encourage any hostile movement against it.

Mr. ISAACS.—I do not know exactly what the right honorable gentleman means, but I think that the debate might very well be disposed of to-morrow. Many honorable members who desire to speak refrained from doing so last night.

Mr. REID. — Does the honorable and learned member desire to speak to the motion?

Mr. ISAACS.—I should have liked to speak last night, but gave up my right to

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do so in order that we might come to a vote. If the question is not to be determined before the session closes, however, I should like to deal with it, because I entertain very strong opinions in regard to the matter. But I am perfectly willing to surrender my right to speak so that, instead of merely talking in this way, we may actually do something. In answer to the honorable and learned member for Parkes, I would say that the matter is a very urgent one. The Parliament will not have an opportunity to speak its mind, and to formally state what is admitted to be the will of the country as expressed at the last general election, for many months to come. If the question had not been raised, it would not have been so urgent. The Prime Minister, in a very able speech last night, expressed a view that was practically entirely adverse to preferential trade under the only condition upon which Australia could consent to it. We have had other speeches adverse to the proposal, as well as some able speeches in favour of it, and if we do not come to a decision the matter will be left in such a state of doubt that it may seriously prejudice public opinion in Great Britain as to what is the feeling in Australia. There is no doubt that the Prime Minister made the admission, which must carry a great deal of weight, that the Australian people at the last general election pronounced themselves definitely in favour of preferential trade.

Mr. REID. — In favour of preferential trade in the abstract, I said, because no concrete proposal was put before them.

Mr. ISAACS.—They pronounced their opinion upon it as definitely as they could at that stage. They said they were in favour of preferential trade, if it could be carried out by agreement with the home country, and upon a protectionist basis.

Mr. REID.—No; that is a contradiction in terms.

Mr. ISAACS.—I do not say that the Prime Minister used those words last night.

Mr. SPEAKER. — The question before the Chair is the adjournment of the debate, and not the question of Preferential Trade itself.

Mr. ISAACS.—I am endeavouring to show why I think it is a matter of urgency. I do not say that the Prime Minister used the expression that the electors were in favour of preference upon a protectionist basis.

Mr. REID.—I admit that, with that exception, the honorable member has made a fair statement of what I said.

Mr. ISAACS.—At this stage of the session we should make an effort to give expression to our views in one way or the other. We do not wish to go into recess with an admission either that we are unable to say what the country has declared or that we are unable to make up our own minds. I therefore think that the question should not be left in a position of doubt. Voting as I did last night to secure the taking of a division on the motion, I must, to be consistent, vote against the adjournment to-night. I am speaking not only for myself but for others. We shall vote against the motion for adjournment with no other desire than to protest, as strongly as we can, against delay on the part of this Parliament in expressing the views of the Australian people on a subject which we consider to be of the highest moment to the Commonwealth as an integral part of the British Empire. I ask the Prime Minister not to allow an adjournment. He will to-morrow have more than ample time for the consideration of the business which yet remains to be done. The amendments in the Sea Carriage of Goods Bill are a purely formal matter, which should take only a minute or two to consider, while the other measure can be dealt with without discussion, and by means of a vote. We should, however, give as much time as remains for the consideration and determination of the question of preferential trade to-night, whatever is to be done to-morrow.

Mr. REID (East Sydney—Minister of External Affairs).—I am anxious to study the wishes of the House in this matter. We are not dealing with Government business, and Ministers are divided in regard to the motion. Therefore we are not exercising any sort of pressure as a Government upon it. If a majority desire to sit late, in order to finish the discussion, I will vote against the motion for adjournment, though I have been informed that at least six speakers desire to address themselves to the main question.

Mr. McDONALD.—The right honorable gentleman can add my name to the list.

Mr. JOSEPH COOK.—The amendments will all be debated, too.

Mr. REID.—I can quite understand the utility of continuing the discussion for several hours, and, if necessary, I am willing to remain here to allow the debate to go on, but it would be useless to continue the debate for only another half-hour. As an old parliamentarian, I say, too, that it will be better to adjourn this debate now,

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and deal with the Sea Carriage of Goods Bill and the Papua Bill, and then have to-morrow clear for its further discussion. Some honorable members hold strong views on the liquor question involved in the Papua Bill, and if we begin its consideration to-morrow, there is not likely to be much time then for the continuation of the preferential trade debate. It is the general feeling of honorable members that we should go on and finish this debate to-night?

HONORABLE MEMBERS.—No.

Mr. ISAACS.—There is only one way to test the feeling of the House on the subject.

Mr. REID.—I understand that if the motion for the adjournment of the debate is negatived, the honorable member for Gwydir, who moved it with the concurrence of the Government, will be prevented from speaking, and I am not prepared to take a course which will have that result.

Mr. SPEAKER.—The rights of both the mover and seconder of the motion for adjournment will be preserved, even if that motion be defeated.

Mr. REID.—I am glad to hear that that is so. In the New South Wales House, the result would have been as I have stated. If honorable members generally desire to proceed with and finish this debate to-night, I am willing to remain, but I think that very few honorable members favour that course being taken.

Mr. BRUCE SMITH (Parkes).—The honorable and learned member for Indi has announced that he wishes to speak on this subject, but is quite prepared to vote without speaking. That is not the position of other honorable members. His reason for objecting to an adjournment of the debate is that it is an urgent matter, and that there should be a division on the main question, whereas we have been told by the honorable and learned member for Ballarat that he has given his motion the most abstract form it could have. If the honorable and learned member for Indi thinks that the British people will attach the slightest importance to so absolutely abstract and academic a motion as appears on the business-paper, he is looking through the wrong end of the telescope. He really gave no good reasons for opposing the motion for the adjournment. I wish to speak to-morrow, and I am not prepared to vote to-night without speaking. I do not see what urgency there is for prolonging the debate any further to-night, seeing that the Prime Minister wishes to deal with two completed Bills which have come down from the Senate. If they are dealt with to-night we shall have to-morrow for the continuance of this discussion. I hope that the Prime Minister will not allow honorable members to terminate the debate to-night.

Mr. SALMON (Laanecoorie).—I desire to speak on the motion which has been brought before the House by the honorable and learned member for Ballarat, and have gone to some pains and trouble to prepare a statement of my views on the subject; but I am ready to refrain from speaking in order that we may take a division on it to-night.

Mr. HUME COOK.—There are others in the same position.

Mr. SALMON. — Honorable members have made up their minds on this question, and so have those who sent them here, and I do not think a long, drawn-out debate will be of advantage to any one. In my opinion, it will be well to settle the matter at once. Most of those who are arguing that there should be a further succession of long speeches have already committed themselves by stating that the motion is a purely abstract and academic one, and therefore would not be understood by the people of Great Britain.

Mr. BRUCE SMITH.—I said, not that it would not be understood by the people of Great Britain, but that it would have no effect with them.

Mr. SALMON. — Honorable members fear it will have an effect which they do not desire it to have. Those who are most anxious that we shall not proceed further to-night have already spoken, and therefore have no real interest in prolonging the discussion. I hope that they will consider the convenience of their fellow members, and allow the motion to go to a division to-night.

Mr. JOHNSON (Lang).—I am not prepared to give a silent vote on this question. I propose to speak at considerable length in regard to it—possibly for two hours or longer. I am perfectly prepared to go on to-night, although I should prefer to speak to-morrow.

Mr. AUSTIN CHAPMAN (Eden-Monaro). — This question is of great importance, and I am afraid that if the debate is adjourned until to-morrow we shall have no chance of arriving at a decision. I do not wish to force matters to a division to-night, but I think that the honorable and learned

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member for Indi is on solid ground when he asks that an opportunity should be afforded to register the decision in this House before the session closes. The honorable and learned member is prepared to give up his right to speak, and there are others who are also willing to record a silent vote. These facts give the answer to those honorable members who say that the discussion upon this subject is in the clouds. We invite those honorable members to come to earth, and give their vote. If, as they argue, the motion can have no effect upon the people of Great Britain, why are they afraid to pass it? Why should they object to a motion giving expression to a principle in favour of which the majority of the electors have declared themselves. I hope that if the debate be adjourned until to-morrow, some arrangement will be made by which we can come to a decision.

Mr. JOSEPH COOK.—An arrangement with whom?

Mr. AUSTIN CHAPMAN.—With honorable members. I know that we cannot ask the Prime Minister to give any undertaking in the matter. I understand that he has the Appropriation Bill in his pocket, and that therefore our only chance of controlling the House is by preventing you, sir, from leaving the Chair until we have had an opportunity to register our opinion. This is not a party question, and I think that it might be disposed of if honorable members who view it from different standpoints were prepared to make mutual concessions.

Mr. KING O'MALLEY (Darwin).—I do not see why any heat should be displayed over this question. We have been debating it for some time, and it appears to me that the more we talk the more honorable members seem disposed to lengthen the debate. I suggest that the Prime Minister should arrange for a special session of Parliament three months hence to enable the motion to be fully considered. The Prime Minister has, I think, acted very fairly in affording an opportunity for discussion, and therefore we should endeavour to come to a vote as soon as possible. I am prepared to vote for the motion. I believe in preserving the British Empire. There are only two free nations in the world, the American and the British, and we should do all we can to increase the power and influence of the Empire.

Mr. McCOLL (Echuca).—Honorable members who are opposed to the motion have complained that the discussion has been merely of an abstract character, and mostly in the clouds. They are doing their very best to keep the subject there by placing obstacles in the way of recording a vote upon it. I desire to say a few words, which will occupy only about ten minutes, and I feel that if the debate is adjourned until to-morrow I shall have very little chance to express my views. The short time at our disposal will probably be taken up by three or four honorable members, to the exclusion of all others. If it be understood that we are to go on to-morrow until a vote is taken I shall be prepared to vote for an adjournment of the debate this evening, but otherwise I shall oppose the motion.

Question—That the debate be now adjourned—put. The House divided.

Ayes	... ...	22
Noes	... ...	17
Majority	... ...	5

AYES.

Brown, T.	Poynton, A.
Cook, J.	Reid, G. H.
Edwards, R.	Robinson, A.
Glynn, P. McM.	Smith, B.
Hutchison, J.	Smith, S.
Johnson, W. E.	Spence, W. G.
Kelly, W. H.	Thomson, D.
Lee, H. W.	Thomson, D. A.
Liddell, F.	
Lonsdale, E.	*Tellers.*
McDonald, C.	Tudor, F. G.
O'Malley, K.	Wilks, W. H.

NOES.

Chapman, A.	McLean, A.
Cook, J. N. H. H.	Phillips, P.
Deakin, A.	Ronald, J. B.
Ewing, T. T.	Salmon, C. C.
Gibb, J.	Skene, T.
Isaacs, I. A.	Webster, W.
Knox, W.	*Tellers:*
Maloney, W. R. N.	Kennedy, T.
McCay, J. W.	McColl, J. H.

PAIR.

Fuller, G. W.	Watson, J. C.

Question so resolved in the affirmative.
Motion agreed to; debate adjourned.

AUDITOR-GENERAL'S REPORT.

Mr. SPEAKER.—I have received from the Auditor-General, under section 53 of the Audit Act, his annual report for the financial year, ended 30th June last.

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SEA CARRIAGE OF GOODS BILL.

Mr. SPEAKER.—I have to announce the receipt of a message from the Senate, intimating that it has agreed to amendments Nos. 1, 4, and 6 of the House of Representatives, that it has agreed to amendments Nos. 2 and 5 with amendments, and to amendment No. 3 with a consequential amendment.

Mr. REID (East Sydney—Minister of External Affairs).—As the amendments which have been made by the Senate are practically consequential amendments, I move—

That the House resolve itself into a Committee of the Whole to consider the amendments forthwith.

Question resolved in the affirmative.

In Committee (Consideration of Senate's amendments):

Clause 3—

This Act shall apply only in relation to ships carrying goods from any place in Australia to any place outside Australia, or from one State to another State, and in relation to goods so carried, or received, to be so carried in those ships.

House of Representatives' Amendment — Insert the following new sub-clause :—

(2) This Act shall not apply to any bill of lading or document made before the thirtieth day of June, One thousand nine hundred and five, in pursuance of a contract or agreement entered into before the passing of this Act.

Senate's Message :—Insertion of new sub-clause agreed to, with the following amendment :— "Leave out 'passing of this Act,' insert 'seventeenth of November, 1904.'"

Mr. REID.—Honorable members will notice that the amendment of the Senate has the effect of making the disability imposed by clause 3 applicable from the date upon which the Bill was read a first time in the other Chamber, instead of from the date upon which it becomes law. I see no objection to that proposal. Consequently, I move—

That the amendment be agreed to.

Motion agreed to.

Clause 4—

Where any bill of lading or document contains any clause, covenant, or agreement, whereby—

. . . .

(*b*) The obligations of the owner or charterer of any ship to exercise due diligence, and to make and keep the ship's hold, refrigerating, and cool chambers, and all other parts of the ship in which goods are carried, fit and safe for their reception, carriage, and preservation, are in any wise lessened, weakened, or avoided.

House of Representatives' Amendment.—In line 2, after the word "diligence," insert the words "and to properly man, equip, and supply the ship, to make and keep the ship seaworthy."

Senate's Message.—Insertion of words agreed to, with the following consequential amendment : —"in paragraph *b*, leave out the first word 'the' and insert 'any.'"

Mr. REID.—The object of this slight alteration is not to use language which may seem to create new obligations. The word "any" is the widest which can possibly be employed, so that we cannot object to it. By adopting the amendment of the other Chamber, we shall be simply giving effect to the policy of the Bill.

Mr. KNOX.—It does not interfere with the original purpose of the measure?

Mr. REID.—Not at all; it leaves things exactly as they were. I move—

That the amendment be agreed to.

Motion agreed to.

Clause 6 (Penalties)—

House of Representatives' Amendment.—After clause 6 insert following new clause :—

"6A. (1) In every bill of lading or document, with respect to goods, a warranty shall be implied that the ship shall be, at the beginning of the voyage, seaworthy in all respects, and properly manned, equipped, and supplied.

(2) In every bill of lading or document, with respect to goods, unless the contrary intention appears, a clause shall be implied, whereby, if the ship is, at the beginning of the voyage, seaworthy in all respects, and properly manned, equipped, and supplied, neither the ship, nor her owner, master, agent, or charterer, shall be responsible for damage to or loss of the goods resulting from—

(*a*) faults or errors in navigation, or
(*b*) perils of the sea or navigable waters, or
(*c*) acts of God or the King's enemies, or
(*d*) the inherent defect, quality, or vice of the goods, or
(*e*) the insufficiency of package of the goods, or
(*f*) the seizure of the goods under legal process, or
(*g*) any act of omission of the shipper or owner of the goods, his agent or representative, or
(*h*) saving or attempting to save life or property at sea, or
(*i*) any deviation in saving or attempting to save life or property at sea."

Senate's Message.—Amendment to insert new clause 6A agreed to, with the following amendments :—"In line 1, leave out 'or document'; in line 6 leave out 'or document.'"

Mr. REID.—I think that good reason has been shown for the omission of these words. The position in this case is quite different from that in clause 4, where the words "or document" are included. In that provision we have to guard against evasions of prohibitions by means of placing contracts in separate documents. The position, however, in the present case, is very different, and upon reflection, I agree with the Attorney-General that it would be wise to

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omit the words to which I have referred. Therefore, I move—

That the amendment be agreed to.

Motion agreed to.

Mr. Isaacs.—The words were inserted in two sub-clauses, and I understand they remain in one of them.

Mr. REID.—They appeared in two sub-clauses of the same clause, but they have been left out in both cases. At the beginning of clause 4 we have the words—

Where any bill of lading or document contains any clause covenant or agreement, whereby—

And so forth. It was proper to include the words "or document" in that case, because that which we desired to prohibit might otherwise be done in a collateral document that was not a bill of lading. It was proper to insert these words in order to provide against our object being defeated by the wrongful thing being done by means of a document that was not a bill of lading. Then we come to the new clause 6A, which is what we have called the ship-owners' clause. The honorable and learned member will see that there is no necessity in that case to insert the word "document," because the clause reads something into a bill of lading, and no collateral document could defeat legislation which reads into an actual bill of lading all that we desire. We had the words in sub-clause 2—

In every bill of lading or document, with respect to goods, unless the contrary intention appears, a clause shall be implied. . .

The expression, "in every document with respect to goods, a warranty shall be implied" would be altogether too wide. There are any number of commercial documents which are not bills of lading, and have no connexion with them.

Mr. Knox.—A shipping receipt is not a bill of lading, but it is a very important document.

Mr. REID.—But this would include any document. We do not want to rove round and bring in every commercial document which has nothing to do with the case.

Mr. Glynn.—And there must always be a bill of lading.

Mr. REID.—That, of course, is an inevitable incident.

Mr. Isaacs.—I think the words "or document" ought to remain in sub-clause 1, and shall read a decision of the House of Lords, which will show the necessity for them. They might be omitted in the sub-clause 2, because the ship-owner can protect himself.

Mr. REID.—They would be altogether too wide. There is a vast number of documents with respect to goods which have nothing to do with bills of lading, or anything of the kind.

Mr. ISAACS (Indi).—In the case of *Steel versus the State Line S.S. Company* (3 Appeal Cases, p. 86), Lord Justice Blackburn said—

I take it, my Lords, to be quite clear both in England and in Scotland that where there is a contract to carry goods in a ship, whether that contract is in the shape of a bill of lading or any other form, there is a duty on the part of the person who furnishes or supplies that ship or that ship's room, unless something be stipulated which should prevent it, that the ship shall be fit for its purpose. That is generally expressed by saying that it shall be seaworthy; and I think also in marine contracts, contracts for sea carriage, that is what is properly called a "warranty," not merely that they should do their best to make the ship fit, but that the ship should really be fit.

In the right honorable gentleman's endeavour to throw the common law into the form of a Statute——

Mr. Reid.—Does not the honorable and learned member forget that the clause was inserted for the benefit of the ship-owners, and that if they do not give a bill of lading they will not secure the benefit of it.

Mr. ISAACS.—I agree as to the omission of the words from sub-clause 2, but sub-clause 1 is for the benefit of the shipper.

Mr. Reid.—But the warranty in that case exists whether there be a document or not. If a ship-owner for reward receives goods to be delivered at another place, that warranty exists at common law.

Mr. ISAACS.—I think there is a danger when express provisions are inserted in an Act of the contention being raised that the inference is that all other matters have been excluded. One would be told by the Court "If the common law only was intended to be preserved, why was it put in that limited form. Why limit this provision to a bill of lading."

Mr. Reid.—That would not alter the common law.

Mr. ISAACS.—The Prime Minister apparently takes the view that the clause as it stands is sufficient, but I think that it is not, and I am not quite sure that the honorable and learned member for Parkes does not agree with me. I think this is a risky thing to do, but I have pointed out what I think is the danger, and can do no more.

Mr. KNOX (Kooyong).—I know that in the closing hours of the session we cannot give that time to the consideration of

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amendments made by another place that we should otherwise devote to such a matter; and I must confess that I am not able to grasp the full effect of the amendments which have been made. The original object of the Bill was to protect the shippers. It was found, however, that injustice might be done to ship-owners, and as no one desired anything of the kind, steps were taken to avoid such a contingency. I ask the Prime Minister to give me an assurance that, notwithstanding these amendments, the original object of the Bill will be carried out, while at the same time a just and equitable regard will be shown to the interest of ship-owners. If I receive an assurance from the Prime Minister that such is the case, I feel that in view of the pressure of business this evening I must rest content. Does the Prime Minister give me that assurance?

Mr. REID.—I do.

Motion agreed to.

Reported that the Committee had agreed to the Senate's amendments.

Report adopted.

PAPUA (BRITISH NEW GUINEA) BILL.

Bill returned from the Senate, with amendments.

Motion (by Mr. REID) proposed—

That the consideration of the amendments be an Order of the Day for to-morrow.

Mr. MCCOLL.—There was a distinct understanding that we should proceed with this measure to-night.

Mr. REID.—I had a conference with the honorable and learned member for Ballarat on the subject, and he agrees to my taking this course.

Mr. DEAKIN.—I do not object.

Mr. McDONALD (Kennedy).—I think that before we proceed to consider this Bill again, we should be furnished with copies of the Senate's amendment. It is a very bad practice to deal with measures at the end of the session in the manner in which we have just dealt with the Sea-Carriage of Goods Bill. No one knows the effect of the amendments just agreed to. When members of the legal profession differ, it makes one doubtful if he is doing the right thing in allowing a matter to be dealt with which he has not had an opportunity to fully understand.

Mr. REID.—The honorable member's request will be complied with, and copies of the amendments of the Senate will be available to-morrow.

Question resolved in the affirmative.

PAPERS.

Mr. DUGALD THOMSON laid upon the table the following papers:—

Amendment of regulations 88, 152, 199, 209, 220, 253, and 256 under the Public Service Act.

Increments paid under section 19 of the Victorian Public Service Act.

ADJOURNMENT.

PROROGATION: KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY BILL: SEAT OF GOVERNMENT: ENGLISH MAIL CONTRACT.

Mr. REID (East Sydney—Minister of External Affairs).—I move—

That the House do now adjourn.

It is proposed that Parliament shall be prorogued to-morrow at 4 o'clock.

Mr. FRAZER.—What about the business under consideration?

Mr. REID.—It will remain under consideration for six months or so. I take this opportunity to express, on behalf of the Government, our sense of obligation to honorable members in all parts of the Chamber. We had rather a stormy beginning, but I believe that we are gradually coming to a better understanding, which I hope will be cemented in an agreeable manner after the adjournment.

Mr. FRAZER (Kalgoorlie).—I should like to say a word or two on this motion. Do I understand from the Prime Minister that he intends to get a vote on the question in another place before the prorogation?

Mr. REID.—I must not refer to the business of another place, but I think that I can give my honorable friend a very satisfactory assurance on the point.

Mr. FRAZER.—I am not satisfied with that statement.

Mr. REID.—The honorable member knows that I cannot refer to the business which is now being transacted in another place.

Mr. FRAZER.—If it suited the right honorable gentleman to do so, he would be very ready to refer to it.

Mr. REID.—If the honorable member knew what I have been trying to do on behalf of his railway, he would not be so confoundedly ungrateful.

Mr. FRAZER.—The right honorable member is doing me a grievous injustice by making such a remark.

Mr. REID.—The honorable member has heard many stronger.

Mr. FRAZER.—Yes, and I may at no distant future begin to return a few of them.

Mr. REID.—Come upstairs.

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Mr. FRAZER.—The measure about which I wish for information is of more consideration to those whom I represent, and to myself, than is the invitation of the Prime Minister to come upstairs, even though it is now a quarter-past eleven.

Mr. SPEAKER.—The honorable member must not refer to a measure which is before another branch of the Legislature. He covered his first reference to it, but he is now obviously referring to a measure which is under the consideration of the Senate, and that he must not do.

Mr. FRAZER.—I am very dissatisfied with the promises which have been made to me in regard to this matter.

Mr. BROWN.—This House cannot force the Senate.

Mr. FRAZER.—No; but the Government could have so arranged the business-paper that the matter would have been debated earlier. A short time ago the Prime Minister promised that certain business, including the Kalgoorlie to Port Augusta Railway Survey Bill, would be transacted before Parliament was prorogued. I recognise, however, the awkward position in which I am placed, and I shall not refer to the matter any more now, but I hope that the Prime Minister will see that the pressure which he can exert is used in another place, in order to obtain a division in regard to the Bill before Parliament is prorogued, and thus redeem his promise.

Mr. KING O'MALLEY.—They are going to sit all night.

Mr. AUSTIN CHAPMAN (Eden-Monaro).—Has the attention of the Prime Minister been directed to a statement which appears in to-night's *Herald*, with reference to something which has just taken place in the New South Wales Parliament? It is stated that that body has taken the extraordinary course of thwarting the will of this Parliament, by refusing to consider the site referred to it by us as a matter of courtesy; because if any honorable member will turn to section 125 of the Constitution he will see that it is for the Commonwealth Parliament to determine the Seat of Government. This Parliament has determined the Seat of Government, and this is final unless we alter the Constitution. In stating that opinion, I am backed up by several constitutional authorities in this Chamber, whom I have consulted. There is no other course for us to take, but to stand by our determination, or to alter the Constitution. It seems to me extraordinary that gentlemen, who represent the people of New South Wales, and who have been crying out so loudly and so long about the delay which has taken place in the selection of the site, putting it down to the wickedness of Victorians, and the desire to cheat New South Wales out of an inherent right, should flout the will of this Parliament. I can hardly credit the correctness of the newspaper report. They have flouted the will of this Parliament, although the determination arrived at was accepted by those who had fought for other sites, and have declined to allow us to express an opinion on the matter. In these circumstances, we look to the Prime Minister to stand up for the rights of this Parliament, and to clearly indicate to the Parliament of New South Wales that we do not intend to be dictated to in this matter. We must strongly protest against the attempt that is now being made to bounce us into taking a particular course of action.

Mr. LEE.—The New South Wales Government offered us the Dalgety site.

Mr. AUSTIN CHAPMAN.—The Monaro district was favorably reported upon by the late Mr. Oliver, who was specially appointed by the New South Wales Government to inspect sites eligible for the Capital. Now the New South Wales Parliament does not appear to be prepared to indorse our selection of the site recommended by their own representative. If they persist in their present attitude, honorable members who are beginning to find it is very convenient to be located in Melbourne, will be disposed to postpone indefinitely the establishment of the Federal Capital. At the same time, I feel quite sure that they will be prepared to take strong exception to the attitude assumed by New South Wales. I would ask the Prime Minister to inform us before the House rises that he intends to represent to the New South Wales authorities that there will be no chance of successfully negotiating upon the lines they have laid down.

Mr. JOSEPH COOK.—Surely the State has certain rights?

Mr. AUSTIN CHAPMAN.—Certainly it has, but the honorable member does not pretend that the State has the right to adopt its present high-handed attitude.

Mr. JOHNSON.—The State has a right to be considered.

Mr. AUSTIN CHAPMAN.—No one denies that, but it has no right to deliber-

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ately flout this Parliament. If the honorable member thinks so, I invite him to turn his back upon this Parliament. No one denies the right of the State to negotiate with us as to the area which shall be set apart for the purposes of the Federal Capital.

Mr. JOHNSON.—They have a right to negotiate with us, both as to the location and the area.

Mr. AUSTIN CHAPMAN.—Does the honorable member suggest that they have a right to dictate to us the location of the Federal Capital?

Mr. JOHNSON.—Certainly they have.

Mr. AUSTIN CHAPMAN.—Have they the right, after having offered us a certain site through their Commissioner, to turn round and say, "No, you shall not choose the site, but shall go where we tell you to go." I think that we may fairly expect the Prime Minister to indicate that he intends to maintain the rights of this Parliament in the matter.

Mr. DUGALD THOMSON.—Do not make the matter more difficult.

Mr. AUSTIN CHAPMAN.—I suppose that on the principle that "a soft answer turneth away wrath," it is better for the present that I should say no more about the matter. I desire to bring under the notice of the Prime Minister and the Postmaster-General another very important matter. A good deal of discussion has taken place, both in this House and outside, with regard to the English mail contracts, and it appears to me rather strange that, whilst we have expressed our determination not to patronize mail companies employing black labour, we should have entirely lost sight of the claims of an enterprising company which employs white men and pays them good wages, and carries the mails over a section of what has been described as the "All Red Route." In other words, the mails are carried throughout upon British ships, or through British territory. I refer to the Canadian-Pacific route. I have taken the trouble to secure a chart, showing the distances that will have to be traversed between Sydney and Vancouver, and thence across the Dominion of Canada and the Atlantic, also a time-table, showing the time that will be occupied in carrying the mails if sixteen-knot steamers are employed crossing the Pacific. I have a letter from Mr. William Clarke, a merchant of Sydney, which clearly explains the position, and I cannot do better than quote it. It reads as follows:—

Dear Sir,

Referring to recent conversation *re* English mail contracts, I have the honour to place before you a few particulars regarding the "All Red Route" from Australia to England, *viâ* Canada, which can be discussed and enlarged upon at a preliminary meeting between the Honorable the Postmaster-General and the manager of the Union Steam-ship Company in Sydney. In my private capacity as a merchant, I shall be pleased to render the Government any assistance I can in the matter. From information, gathered by personal travels through Canada, &c., in this connexion, you can satisfy the Minister. The Canadian-Pacific Railway Company (Union Steam-ship Company, Sydney, agents) are very progressive, as also are the Union Steam-ship Company, and with the help of the Canadian Government, I have no doubt but that an efficient service can be carried out. When speaking to the Minister on the above subject, please impress upon him that it is of the utmost importance to have a quick and regular service in the interest of British-Australian and New Zealand trade. Under no circumstances harass our commerce; foreign competition is very keen, and a slow, defective mail service would result in very serious consequences to the trade and welfare of these Colonies. I enclose a track chart, which I copied from one on a steamer, showing distances, which with a sixteen-knot service from Sydney to Vancouver, eighteen days, detention Suva and Honolulu one day, rail Vancouver to Quebec four days, Quebec to Liverpool nine days, would land the mails from Sydney to London in thirty-two days. New Zealand would, no doubt, avail itself of a weekly mail service by the "All Red Route"—from Auckland to Fiji sixteen-knot service three days, Fiji to Vancouver thirteen and a half days, half day's detention at Suva, Vancouver to Quebec four days, Quebec to Liverpool nine days; thirty days Auckland to London. The transfer of mail matter from the Southern States and Queensland, as arriving at Redfern station, would be both simple and expeditious. Mail vans would be run to the siding to the left facing the Redfern station, thence passed right into a van on the electric trams specially constructed for the purpose, necessitating a short deviation of the tram line only, and the mails carried direct to the mail steamer at her berth at Circular Quay, and passed direct to the mail room. The inward Southern States and Queensland mails would be treated with the same despatch upon arrival of each mail steamer. Facilities for quick despatch are fully available at Vancouver, Quebec, and Liverpool. Brisbane would cease to be a port of call. Ample rolling stock is available by the Canadian-Pacific Railway Company to carry the mails to time. Means are also provided for keeping the lines clear of snow in winter, and where snow is likely to fall in large quantities from the mountains, the track runs through covered sheds. Mails would be carried throughout by British ships, and over British territory.

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He also refers to the fact that arrangements might be made to make Brisbane a port of call. I have travelled over this route, and I know from personal experience that the company possess good steamers. If its vessels were run at sixteen knots an hour, they would be able to deliver the mails between Sydney and London in thirty-two days. The company pays the highest rate of wages, and employs only white labour. I am convinced that if we offered it anything like the encouragement which we are prepared to offer to the Peninsular and Oriental Steam Navigation Company——

Mr. JOHNSON.—There is no comparison between the type of vessels employed by the two companies.

Mr. AUSTIN CHAPMAN.—I quite admit that. Their steamers are not so large as the others referred to, but they are well found, very comfortable and safe, and approved of by the travelling public. The company to which I refer is a progressive one, and I am quite satisfied that it would be perfectly prepared to provide larger steamers if necessary for the carriage of our mails. By adopting my suggestion we should open up an entirely new All Red Route, and the service would form a great connecting link between Canada and Australia. In that way, I am of opinion that the mail difficulty with which we are at present confronted might be solved. I have gone to considerable trouble to obtain the table of distances from which I have quoted, and for the accuracy of which I can vouch. The information which it contains was supplied by Mr. William Clarke, who is a well-known and respected Sydney merchant. He has travelled considerably, and possesses a good deal of knowledge of the route in question, which is becoming a very popular one with visitors to the old country. Upon the eve of the prorogation, it strikes me that the matter is of sufficient importance to warrant me in bringing it under the notice of the House. I feel convinced that the Canadian Government would be quite willing to offer a subsidy to establish a weekly mail service between that country and Australia. I commend the matter to the notice of the Prime Minister.

Mr. JOSEPH COOK (Parramatta).—I hope the Prime Minister will take no notice whatever of the rhapsodical rhodomontade of the honorable member for Eden-Monaro in connexion with the Federal Capital Site question. I can conceive of no more judicious procedure than that which he has followed to-night, even from his own stand-point. If he believes that language such as he has employed is likely to conciliate New South Wales, or to bring that State to its knees, he is very much mistaken. What the Legislature of New South Wales has done may, in his opinion, be very absurd. But against his opinion, must be ranged that of Sir Julian Salamons, Mr. C. B. Stephen, and Mr. Wade, who all declare that New South Wales has done what she is entitled to do under the Constitution. Under the circumstances, it is not fair to ask the Prime Minister to "shape up" to New South Wales, so to speak, and to threaten to visit her with dire consequences if she does not immediately respond to the crack of the whip of this Parliament. It is just as well for us to recognise that New South Wales possesses some constitutional rights in connexion with this matter. Nothing that the honorable member for Eden-Monaro may do or say can interfere with those rights.

Mr. WATSON.—What will be the result of the assertion by New South Wales of her alleged rights? Will it not be that the Capital will remain in Melbourne?

Mr. JOSEPH COOK.—Probably the result will be the same as that which would follow the assertion of our rights in the same direction. I am assured by the best constitutional lawyers that although we may determine the Seat of Government, we cannot compel New South Wales to cede any particular site.

Mr. WATSON.—If that be true, the Commonwealth Parliament will remain in Melbourne. That is not a very cheerful state of things to contemplate.

Mr. JOSEPH COOK.—Consequently, the greater is the need which exists for the employment of moderate language. I trust that the Prime Minister will not pay the slightest heed to the invitation of the honorable member for Eden-Monaro to fight New South Wales upon this question.

Mr. McCOLL (Echuca).—I am of opinion that the honorable member for Eden-Monaro has done the House some service by bringing under its notice certain facts in connexion with the carriage of our mails over the All Red Route. It seems a pity that the information was not supplied earlier; but as our mail contracts do not expire until the end of January, the Government will have ample time to look into the matter. If the mails can be carried as expeditiously over that route as they can over

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the present route, I think that the suggestion of the honorable member is worthy of very serious consideration. By its adoption, the conditions imposed by this Parliament would be complied with, and the wants of the commercial community would also be met. I commend the matter to the notice of the Prime Minister, because I feel that any such solution of the existing difficulty in respect of the carriage of our mails would be satisfactory to the Commonwealth and to the Empire generally.

Mr. BROWN (Canobolas).—I wish to reiterate the advice which has been offered by the honorable member for Parramatta in connexion with the difficulty which has arisen between this Parliament and the New South Wales Legislature, regarding the location of the permanent Seat of Government. The honorable member for Eden-Monaro is under the impression that the Government should fight New South Wales upon the matter. On the other hand, I counsel them to approach that State in the most friendly spirit, recognising that its Legislature represents the people of New South Wales, who possess some constitutional rights in regard to this matter. I do not claim to be a constitutional authority, but I have from the first placed upon the Constitution the interpretation which has been followed by the Parliament of New South Wales. I claim that the intention of the Constitution is that, in the first instance, New South Wales shall submit certain territories to the Commonwealth Parliament, and that a site within one of those territories must be selected by us for the Seat of Government. It was only a few days ago that the Parliament of New South Wales was called upon to consider this very important question, the delay which has taken place in this respect being largely due to the late State Government. Sir Edmund Barton, as Prime Minister, urged the State Government to take action, and the present State Ministry consider, apparently, that it is their duty to submit certain territories for the consideration of this Parliament. I hold that the Government will act wisely if it approaches the Government of New South Wales in a friendly spirit, and endeavours to ascertain the reasons for the recommendations which have been made on behalf of the only body which has a right to speak for New South Wales—the Parliament of the State. As for the threat which has been made by the honorable member for Eden-Monaro, that the action of the State Legislature will result in the Federal Parliament continuing to meet in Melbourne for some years, I would remind the House that any one acquainted with the true position of affairs must recognise that even if the State Parliament agreed to the selection which we have made, we should continue to meet here during the life of the present, and, no doubt, of a succeeding Parliament. Whilst considering the interests of New South Wales, we have also to conserve the interests of the Commonwealth. I hope that the interests of New South Wales will not have to be sacrificed, but if such a contingency arises, then, in the interests of the Commonwealth, it would be better for the Federal Parliament to continue to meet in Melbourne, rather than that we should incur, for a considerable time to come, the enormous expenditure incidental to establishing the Seat of Government at Dalgety.

Mr. SYDNEY SMITH (Macquarie—Postmaster-General).—With reference to the question of the mail service which has been brought forward by the honorable member for Eden-Monaro, I can only say that the Government have been giving the matter their careful consideration. Some weeks ago a representative of the Canadian Government obtained information from the Postal Department, with a view to ascertain if it would be possible to make some proposal in relation to the carriage of our mails. The Government have convened a conference of the several Deputy Postmasters-General to consider the proposal made by my honorable friend, as well as other propositions, to overcome the difficulty caused by our failure to secure satisfactory tenders. The proposal made by the honorable member, as well as others that have been put forward, will receive every consideration at the hands of the Government during the recess. We hope that some satisfactory scheme will be devised to overcome the difficulty.

Mr. McDONALD (Kennedy).—In view of the statements which have been made from time to time by representatives of New South Wales as to the rights of that State in respect of the Seat of Government, it is remarkable that some of them should now be prepared to assert that Melbourne should be the Seat of Government for all time.

Mr. JOHNSON.—No one has suggested anything of the kind.

Mr. McDONALD.—That is really the effect of the statement to which we have

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listened this evening. Constitutional authorities, whose opinions I should be prepared to accept in preference to any that the honorable member for Lang might offer, are agreed that the Federal Parliament has the right to decide where the Capital shall be. We have arrived at a decision, and the law under which we have acted can be varied only by an alteration of the Constitution. In consequence of the clamouring of the representatives of New South Wales, we took action to settle the question. I did not vote for the Dalgety site. I was one of those who favoured the selection of Lyndhurst, but as the Parliament has decided that the Seat of Government shall be at Dalgety, I am prepared to abide by its decision, and to stand up for its rights as against those of the State Legislature.

Mr. WILKS.—Except in matters in which Queensland are concerned.

Mr. McDONALD.—I do not even make that exception. The Government are going into recess——

Mr. REID.—No thanks to the honorable member.

Mr. McDONALD.—It is not my wish that they should be able to go into recess.

Mr. REID.—That will not disturb my slumbers.

Mr. McDONALD.—If a majority of the members of the Labour Party had shared my views, the Government would not have had an opportunity to get into recess. We have just heard the honorable member for Eden-Monaro threaten that, unless the Government take a certain action, he will probably compel them to do so.

Mr. AUSTIN CHAPMAN.—No.

Mr. REID.—It is too late now for this sort of thing.

Mr. McDONALD.—Perhaps it is. The Prime Minister declared, during the discussion upon the no-confidence motion, that he and his party were banded together for the express purpose of wiping the Labour Party out of existence. I have not forgotten that declaration, and I regret that the Government did not obtain a dissolution and give us an opportunity to show whether they are able to carry out their threat.

Mr. REID.—The honorable member can go to the country now for six months.

Mr. McDONALD.—I shall go round the country as much as I can, and do whatever I can to prevent the wiping out of our party by the right honorable gentleman. I hail with delight the action which he has taken. I hope that we shall not hear any more clamour from New South Wales members concerning the Federal Capital. Now that the people of that State have practically decided that the capital shall remain in Melbourne, the people of Victoria will be pleased at the news.

Mr. JOHNSON.—The action of the New South Wales Parliament is not capable of the construction which the honorable member has placed upon it.

Mr. McDONALD. — I have given my opinion, but the honorable member can place his own construction upon the action of that Parliament. We have been sent here to defend our rights. The Federal Parliament have passed a certain Act. determining that the Federal Capital shall be in a certain place, and the New South Wales Parliament say, "We will not have that." My answer is, "Then let us remain where we are." I am prepared to stay here as long as the New South Wales members deny our right to legislate on this important matter.

Mr. REID (East Sydney—Minister of External Affairs).—In replying, I shall refer only to the very important subject which the honorable member for Eden-Monaro has brought under the notice of the House. I have no intelligence, except the statement in the Melbourne evening newspaper, which is not necessarily accurate, of the action taken in the New South Wales Parliament, but I understand from that source that a series of resolutions were submitted to the House of Assembly, one of which embodied an offer of certain sites to the Federal Parliament, and that a majority omitted from the list submitted by the Government of New South Wales the name of Dalgety.

Mr. WEBSTER.—And Tooma too.

Mr. REID.—That name was not submitted by the Government. They submitted four sites.

Mr. WEBSTER.—That showed their ignorance of the question.

Mr. REID.—I understand that the Government of New South Wales submitted to the Legislative Assembly of that State a list containing the names of four places which might be offered by the Parliament of New South Wales to the Federal Parliament. The Parliament of New South Wales would be absolutely within its rights in any offer that they might make to us. The proposal submitted to the Legislative Assembly of that State was that one of four sites should be offered, and that body,

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I understand, decided to omit from the list of sites the name of Dalgety. In other words, it determined not to offer Dalgety as a site for the Federal Capital. If that has happened, it does not in the slightest degree alter the decision arrived at by us, and embodied in an Act of Parliament. It may amount to an expression of a desire to ask this Parliament to reconsider the decision at which it has arrived, but the omission of the name from a proposed offer does not alter the decision of this Parliament. If it should turn out that a majority of the members of this Parliament are prepared to repeal the Act which we passed, and choose some site other than Dalgety, the object which I suppose the Legislative Assembly of New South Wales had in view in omitting the name of that place from its list might be secured. So far as I am concerned—and I think that I may speak for my colleagues—we are satisfied to act upon the choice which has been arrived at by this Parliament. If it be impossible to arrange any voluntary understanding between the State and the Commonwealth, another situation may arise, but it will be time enough to deal with that situation when it arises. I strongly deprecate the use of any language which will make a difficult task more difficult, and I ask those who have the interests of the choice which this Parliament has made at heart to give its opponents no opportunity to increase the difficulties which may now arise in consequence of the step which has been taken by the New South Wales Assembly. Although I represent a New South Wales constituency, and will always loyally respect the just rights of that State in every way, I am not likely to forget the duties which I owe to this Parliament in regard to a matter about which I think we have the largest share of choice; because it seems to me that the selection of the Federal Site belongs more properly to the Federal Parliament than to a Parliament which is not to occupy the Federal Capital. At the same time, I wish to speak with the utmost respect of any action which may be taken, or any wishes which may be entertained on the subject, by the Government or Parliament of New South Wales. I hope that we shall be able to arrive at a satisfactory settlement of the difficulty. If that settlement is impossible, we shall have the consolation of remaining in a very comfortable city, surrounded by many advantages. It is my earnest wish that the provisions of the Constitution shall be carried out loyally on both sides. If they are, the Federal Capital will be established in New South Wales at no distant date, but, just as it is possible for the Federal Parliament in its treatment of the subject to so act that there will be no capital in New South Wales within a reasonable time, it is possible for the Government and Parliament of New South Wales to so act that there will be no Federal Capital in New South Wales within a reasonable time, unless we have an inherent right to select the capital by our own will. That is a question of serious importance, which I hope will never have to be considered. I hope that those who have this matter at heart will rest satisfied that the Government will loyally regard the decision of this Parliament, unless it is rescinded, and, so far as I am concerned, any attempt to rescind it will meet with my strongest opposition.

Mr. JOSEPH COOK.—Then may we take it that the Government will not order General Finn out just yet?

Mr. REID.—Not yet.

Question resolved in the affirmative.

House adjourned at 12 o'clock (midnight).

Senate.

Thursday, 15 December, 1904.

The PRESIDENT took the chair at 12 o'clock noon, and read prayers.

PAPERS.

Senator Sir JOSIAH SYMON laid upon the table the following papers:—

Regulation under the Excise Act 1901.—New Regulation in lieu of No. 14 of Sugar Regulations.—Statutory Rules 1904, No. 75

Regulations under the Commonwealth Public Service Act 1902.—Statutory Rules 1904, No. 76.

SEA-CARRIAGE OF GOODS BILL.

Bill returned with a message stating that the House of Representatives had agreed to the amendments to its amendments Nos. 2 and 5, and to the consequential amendments to its amendment No. 3.

TOBACCO INDUSTRY: NATIONALIZATION.

Senator DOBSON.—I desire to ask the Attorney-General a question, of which I gave him verbal notice yesterday. In view of the decision of the High Court in

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the brewer's licensing case in Sydney, which practically laid it down that the Commonwealth cannot interfere with the internal trade of a State, is it the intention of the honorable and learned senator to make this law known to the Select Committee on the Tobacco Industry, and, if it should still propose to go on with its inquiry, and should find that it is desirable to nationalize the industry, whether it is the intention of Ministers to ask the Parliament to amend the Constitution in order to enable that to be done?

Senator Sir JOSIAH SYMON. — My honorable friend very courteously gave me verbal notice of this question yesterday evening. I have not had an opportunity to consider the case to which he has referred, and therefore I think he will not regard it as disrespectful if I say that I am not in a position to express an opinion either as to the intention of the Select Committee, or in reference to the very large question involving the suggested amendment of the Constitution.

PREFERENTIAL RAILWAY RATES.

Senator DOBSON.—I desire to ask the Attorney-General some questions without notice, and if he is not prepared to give answers now, I think it will be desirable to let them appear in the press, so that we may understand them hereafter.

1. Is it not a fact that a few months ago all the engineers of the State Railway Departments met with a desire to get rid of all preferential rates?

2. Was it not announced that they had conferred, got rid of most of the troubles, and hoped to arrange matters in such a way that preferential rates and tolls on railways could be got rid of without the appointment of an Inter-State Commission?

3. Have they had brought under their notice the extraordinary way in which Western Australia is penalizing goods coming from other States, and passing over its railways?

4. Does a similar state of affairs exist elsewhere, and, if so, do the engineers see their way to get rid of these tolls, and let all Australian goods travel at the same rate on the railways?

The PRESIDENT.—I do not think that the honorable senator should express an opinion in any question he asks.

Senator Sir JOSIAH SYMON.—I very greatly regret that I am quite unable to give my honorable friend any information on the subject.

MESSENGERS.

Senator GIVENS.—I desire to ask the Attorney-General, without notice, a question relating to the case of two messengers which I brought under his notice when we were discussing the Estimates of the Postmaster-General. I drew his attention to the fact that these messengers were receiving considerably less than the minimum wage—£61 each—and he promised to furnish some particulars.

Senator Sir JOSIAH SYMON.—I have sent for the information, and if it is not available before question time has expired, I shall take care that it is given to my honorable friend later on.

ADJOURNMENT (*Formal*).

OCEAN MAIL SERVICE.

Senator Lt.-Col. NEILD (New South Wales).—I desire to move—

That the Senate, at its rising, adjourn until 3 o'clock p.m. to-morrow,

with a view to the debating of a matter of urgency, namely, "the threatened discontinuance of the regular transit of mails between Australia and the rest of the world."

Four honorable senators having risen in their places,

Question proposed.

Senator Lt.-Col. NEILD.—I am very loth to move the adjournment of the Senate, and I do not remember that I have ever done so before, but I think we can hardly disperse without taking some notice of the very serious condition of affairs with which, apparently, the whole of the Commonwealth is threatened. One of the great lines which have been serving Australia for many years intends to discontinue allowing its boats to call at Largs Bay, which is the port of Adelaide for the purpose of mail steamers.

Senator GIVENS.—I rise to a point of order. Was there not a full opportunity given to the honorable senator to discuss this matter on the Estimates yesterday, without bringing it forward to-day to block other business?

The PRESIDENT.—I do not think that because there has been an opportunity to discuss a question, and it has not been discussed, an honorable senator is prevented from bringing it forward.

Senator Lt.-Col. NEILD.—It is pointed out very clearly in the morning journals of this city to-day that for the future there will probably be only one mail a fortnight from Adelaide to the rest of the world. If the people of South Australia desire to communicate with the rest of the world

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more frequently, they will then have to do so under the serious disability of having to send their mails either to Melbourne, when they will have to travel the distance of 600 miles twice, namely, once by land, and once by water, or to send them, if opportunity should offer, all the way to Fremantle by probably less speedy means of transit than now exist. This is not a question affecting merely merchants' letters or commission agents' communications. It involves not only an interruption to the transit of letters, but also to the transit of produce of a perishable character, and the delivery of which with speed to the markets of the world is of the utmost consequence to the small producer as well as the large. We find from these announcements with reference to the intentions of the two great mail lines, that the Peninsular and Oriental and Orient Companies are contemplating the placing of their great mail-boats in other trades, where, apparently, the people concerned have more appreciation of the value of such means of communication, and proposing to supply Australia, in a somewhat uncertain manner, with steamers, apparently very much of the character of ocean tramps, which are to proceed, not *viâ* the Suez Canal, but round the Cape, just as the ordinary cargo boats go, with a corresponding loss of time in respect to the delivery of letters and the perishable goods to which I have referred. It is also worthy of note that the statements in the morning press point out the very large expenditure of these companies in Australia; an expenditure that must be of the greatest advantage to the workers and give an amount of employment which it is difficult to estimate. Apparently £130,000 a year is spent by one company alone in Australia, and a very large portion of that expenditure must involve the employment of labour. An expenditure of that kind for coal and provisions, and laundry work, cannot be discontinued without depriving many people settled in the great shipping centres of the Commonwealth of their means of livelihood. Furthermore, it must diminish the incomes of a large body of men employed about our wharfs and warehouses, and also place at a serious disadvantage many small producers of all the odds and ends which go to make up the continuous food supply demanded by these great boats. Instead of having our letters, both inwards and outwards, delivered in a manner such as has been in vogue for much over a quarter of a century—I might say for almost half a century — the Commonwealth is threatened with being placed at a disadvantage, compared with most, if not every, civilized country. No one who is interested in the well-being and growth of Australia can lightly regard so serious a blow at the very means of communication that enhances our position, and places us before the world as one of its civilized peoples. If we are to degenerate into the position of a community which is only connected with the rest of the world by the medium of ocean tramps—and we know that an ocean tramp is a ship which plies for the carriage of cargo and incidentally sometimes carries human beings — our trade and commerce must suffer. That is the class of communication with which the Commonwealth is now so seriously menaced. Long and strenuous though our labours have been, we should not be justified, as the phrase goes, in "putting up the shutters" of Parliament this afternoon, without some notice being taken of this very serious blow that threatens Australia's well-being. I hope that I shall not be misunderstood. I am not standing here merely as the advocate of the rapid carriage of letters for any class of the community. But as a necessary incidence of the carriage of mails and goods, the interests of many producers and labourers in this community are affected; and if any serious alteration takes place, there will be a corresponding interruption of the earnings of the workers and of many small producers, whose interests are infinitely more important than are those of the comparatively few persons who are concerned with the rapid delivery of mails. I regret that owing to the duration of our sitting yesterday I do not feel able to deal with this matter as I should have liked to do. But I wish to place these statements on record in *Hansard*, because a newspaper is very often an ephemeral production, which is lost sight of in a day or two. The cablegrams are of so much consequence that they ought to be embodied in our records. I feel sure that the matter will be deemed to be of sufficient importance to warrant attention at the hands of the Senate. Having drawn attention to it, I leave it open for discussion by other senators, who will be able to speak at such length as the case warrants, and as the circumstances of to-day's sitting justify.

Senator HIGGS (Queensland).—For the purposes of discussion, I beg to second the

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motion, though at the same time I deprecate Senator Neild's endeavour—not intentional, perhaps—to inflame the public mind of Australia by an alarmist speech. I look upon the statement which Sir Thomas Sutherland, the chairman of the Peninsular and Oriental Company, has made, as one about which we need not be in any way excited. He says that the company will consider the abandonment of the mail contract. They will "consider" it. That is a threat, to endeavour to influence the mind of the Government of the Commonwealth and induce them to pay a huge sum as a subsidy for the carriage of mails. As we can get the work done in a very much cheaper way under the poundage system, I trust that honorable senators will not be so foolish as to be influenced by such a threat. When we were discussing the Immigration Restriction Act, it will be remembered that the Right Honorable Joseph Chamberlain, then Secretary of State for the Colonies, sent a telegram to the Governors of the States, and also to the Governor-General, to the effect that if some of the provisions were passed the Japanese line of steamers would no longer visit Australia. He dwelt upon the fact that if that happened there was no doubt that Australia would lose a great deal of money, and that trade would be diverted to other channels. The restrictive legislation was passed, but the Japanese steamers have continued to call from that time up to the present, notwithstanding the fact that Japan has in the meantime had to carry on a very serious naval war.

Senator Lt.-Col. NEILD.—The honorable senator will recollect that that line is subsidized by a foreign Government.

Senator HIGGS.—Does the honorable senator think for a moment that the Peninsular and Oriental and Orient companies' vessels visit Australia merely because they receive the mail subsidy?

Senator KEATING.—They have said time after time that the carriage of mails does not pay them.

Senator HIGGS.—Quite so. As business men, the directors of these companies are not likely to send their ships here merely for the benefit of the Commonwealth. They will continue to visit Australia for the purpose of carrying Australian exports, and bringing imports to our shores. The powerful Peninsular and Oriental Company is not going to leave to ocean tramps the carriage of Australian goods. This company finds it to be to its interest to be one of the shipping ring, which has so far succeeded in curtailing the visits of other vessels to these shores. It has, at any rate, curtailed the visits of the vessels of the Aberdeen line. Some time ago it was proposed that they should visit Australia a certain number of extra times. But pressure was brought to bear, and now the Aberdeen liners make fewer visits. These companies are not going to throw up a lucrative business merely because the Commonwealth Government will not allow them to have things all their own way.

Senator GIVENS.—It is a piece of pure bounce.

Senator HIGGS.—It is nothing but bounce. It is time the various shipping companies engaged in the ring had some attention paid to them.

Senator Sir JOSIAH SYMON.—We certainly ought not to become hysterically alarmed by suggestions of this kind.

Senator HIGGS.—Quite so. I understand that these companies actually charge the butter producers of Australia one penny per pound, although they unload the butter to other steamers at a half-penny per pound. They have such influence that they are able to do that.

Senator GRAY.—Can the honorable senator give an instance?

Senator HIGGS.—Let Senator Gray apply to the Butter Commission. He will get plenty of information from that source. I urge Senator Neild not to press the Senate to devote attention to this matter, which is merely a business method of trying to dragoon the public and the Government of Australia into paying a very much larger sum than we ought to pay. I notice, with approval, the stand which the Federal Government has taken against these efforts.

Senator Lt.-Col. GOULD (New South Wales).—I certainly think that this is a matter of sufficient importance for the Senate to give grave consideration to it. It affects the welfare of the whole Commonwealth to a great extent.

Senator GIVENS.—Why did not the honorable senator bring it up yesterday when the Appropriation Bill was before us? Then all of us would have had an opportunity to discuss it.

Senator Lt.-Col. GOULD.—It is one of the most important things that has happened to the Commonwealth for a con-

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siderable time. There is actually a possibility of our being shut off from the enjoyment of the communication which we have hitherto had with other parts of the world. No doubt honorable senators feel that to a certain extent they are responsible for the difficulty in which we find ourselves. It has always been the boast of Australia that we were determined to be a go-ahead people, and to keep abreast of the rest of the world. We were determined to obtain our letters in as expeditious a manner as possible. The separate States were enabled to carry on these mail services for about half a century. But when the Commonwealth, which was to do such great things for the whole of Australia, got hold of the postal business, this miserable fiasco was brought about purely through our experiments in extreme legislation. While I am well aware that a large sum of money was demanded by the Orient Company for the carriage of our mails in future, still if some of our legislation had taken a different shape, I believe we should have found that the companies would have been disposed to negotiate with us on much more advantageous terms than formerly. The Peninsular and Oriental Company, when they made their contract, would not enter into special stipulations with regard to the Australian trade, because they did not feel safe in respect to our legislation. The Orient Company find themselves in the position that they are unable to continue carrying mails in as speedy a manner as hitherto, unless they receive a substantial consideration. Honorable members may say that we shall be able to do very well under the poundage system. But under that system we shall have no control with regard to the time within which mails shall be delivered. Vessels will be able to call at whatever ports they please, and to take their own time. But honorable senators say that there are other lines besides the Peninsular and Oriental and Orient Companies which may be able to do our business fairly expeditiously. The reply is that honorable senators propose to put our mails on board foreign ships, which are subsidized by foreign Governments to help them to build up a mercantile marine in competition with our own British marine. We, who call ourselves patriotic citizens of a great Empire, are going to play into the hands of these foreign companies, and to take such a course as will enable other nations to strike a blow at the mercantile marine of the nation to which we are proud to belong.

Senator KEATING.—Does Senator Gould call lascars British marines?

Senator Lt.-Col. GOULD.—They are British subjects; but they are not the people to whom I was particularly alluding.

Senator PLAYFORD.—There is to be a Conference of Deputy Postmaster-Generals next week.

Senator Lt.-Col. GOULD.—They may be able to take the subject into consideration, and to make some recommendations to the Government. Certainly, steps ought to be taken to prevent us from being deprived of the regular and rapid services to which we have become accustomed.

Senator KEATING (Tasmania).—What is the object of this discussion? Yesterday we had the Appropriation Bill before us, and if this subject had been introduced, we could have debated the whole policy of the Commonwealth, so far as concerns the carriage of mails to and from Australia. But this discussion seems to me to be abolutely purposeless. Another consideration occurs to me, and that is that if we adopt this attitude with regard to every cablegram which we may read in the newspapers, the Peninsular and Oriental or Orient Company, which are powerful concerns, will only have to hold a meeting, and have its deliberations cabled out to Australia and published in the press, to send the Senate into a state of hysteria.

Senator Sir JOSIAH SYMON.—They can always keep us in a state of ferment.

Senator O'KEEFE.—Legislation by newspapers!

Senator KEATING.—It is not so much due to newspapers as to companies interested in contracts with Australia; and, because at a company meeting at the other end of the world, one of the directors, in a fit of irascibility, or something of the kind, chooses to speak as strongly as we are told a director spoke in London yesterday, the Senate has to set aside all public business in order to discuss dangers which are said to be threatening this country. I hope that the discussion will not continue any longer, but that we shall proceed with the business over which we spent so much time last night.

Senator GRAY (New South Wales).—Considering the importance of the subject, I am rather surprised at Senator Keating

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lecturing honorable senators on the time spent in this short discussion. I do not think I should be doing my duty if I did not express my opinion on the question which has been raised, especially in view of the fact that Parliament is to prorogue to-day.

Senator GIVENS.—Did the honorable senator not know all the facts yesterday?

Senator GRAY.—I do not know that that question is relevant. Those who know Sir Thomas Sutherland will admit that he is about the last man in England to express in a spirit of bluff any views on commercial matters. I may say that eighteen months ago I was in personal communication with the representatives of two of the large steam-ship companies—before the question of the contracts was raised—and I know they were then seriously considering at head-quarters whether the bi-weekly service should not be made a monthly service. The unprofitable nature of the Australian business, so far as the two main shipping companies are concerned, was regarded as a serious matter by them at that time, and they were considering the advisability of limiting the services. Any one who is familiar with the legislation which has been passed since then must admit that further reason has been given to those companies for economy. I cannot understand how an honorable senator from Tasmania can regard the utterances of Sir Thomas Sutherland as a piece of bluff, considering that the producers of that State will feel the effects of any change which may be made very seriously. At present there are not sufficient cooling chambers on the vessels to meet the demands of good seasons; and yet we are threatened with the reduction of this accommodation by one-half.

Senator KEATING.—The unsubsidized steamship companies give better space than does the Peninsular and Oriental Steam Navigation Company.

Senator GRAY.—At present more space cannot be obtained than is necessary, and shippers have to make arrangements months beforehand. Notwithstanding the view which the Attorney-General takes of the matter, I seriously ask the Government not to regard the statement of a gentleman like Sir Thomas Sutherland as bluff. The remarks of that gentleman were made at the annual meeting of the shareholders of his company, and, if I know Sir Thomas Sutherland aright, we may take it for granted that he did not make the statement——

Senator TRENWITH.—Without expecting it to have an influence.

Senator GRAY.—We may take it that the utterances of Sir Thomas Sutherland are likely not only to exercise some influence, but to have a direct effect on the trade of Australia. If Sir Thomas Sutherland's words are disregarded, I can only say that the Government will exhibit a surprising luke-warmness in reference to the practical business aspect of the affairs of the Commonwealth.

Senator HIGGS.—We shall run our own steam-ships yet.

Senator GRAY.—That is what I believe is aimed at by the honorable senator.

Senator Sir JOSIAH SYMON (South Australia—Attorney-General).—I can assure Senator Gray that there is not the remotest ground for any suggestion of luke-warmness on the part of the Government in respect of the mail services between outside countries—whether Great Britain or any other—and Australia. We fully realize, as everybody must, the vital importance of having an effective and regular service, not merely in regard to the mails themselves, but also in regard to what might in this connexion be regarded to some extent as secondary, namely, the trade of Australia. Every one is anxious that, by our mail arrangements, all present facilities in regard to passengers and trade traffic shall be in no way lessened. I do not regard the statements made by those great companies or their governing authorities as bluff exactly, but merely as made in the way of business. Those statements are made, of course, with the view to promote, in the best way possible, the interests of the companies; and that may be regarded as perfectly legitimate. At the same time, we in Australia must take many of those statements—just as we do other utterances in diplomatic and commercial affairs—with a little grain of salt. Senator Neild has done right to call attention to these things, which are of importance; and I can assure him they occupy a prominent and an anxious place in the considerations of the Government. Nothing shall be lacking on our part, not only to protect, but to advance the interests of Australia in that respect. We have been told that the unfortunate State of South Australia is to have only one mail a fortnight—that apparently it has been settled that the steamers of the Orient Company shall no longer visit Largs Bay—but, as an authority for this statement we have only news-

paper paragraphs, which, though not perhaps inserted for sensational purposes, have the effect of being sensational, and very often do not bear out the startling headings with which they are ornamented. In a Melbourne morning newspaper of to-day are to be seen the following headings:—"The Orient Company—Important Changes—No Call at Largs Bay." I may say that that heading brought me up with a sort of round turn. I began to fear for my own State; but when I looked beyond the introductory, and more or less dramatic, part of the paragraph, I found that it contained a report of an interview with Mr. David Anderson, the manager of the company, who said—

I do not like to say for certain that our boats will not call at Adelaide, because the point has not yet been finally decided; but it is more than probable—

And here comes the kind of statement to which we might apply the words "willing to wound, yet afraid to strike"—

we shall have to drop calling at Largs Bay.

That is the situation. Whilst I think that we should, even in anticipation, direct our attention to these matters, it is, at all events, proper that we should see exactly what the newspaper statements mean. After all, the newspaper announcement does not contain that element of despair—up to now, at any rate—which one might have been led to expect from the headings.

Senator FRASER (Victoria).—We must all acknowledge the importance of this subject. and I believe the Government will rise to the occasion and deal with it in a practical and business-like way. To me it is sad that this great country of Australia should be thus disturbed. After our experiences of last night, I feel more inclined to shake hands with everybody than to strike a discordant note, but I may express the hope and belief that the party which is primarily responsible for the disorganization of our mails will see the necessity to act with more prudence in the future. The disturbance of arrangements which have been in existence for a great number of years will not, I am sure, commend itself to honorable senators, on whatever side of the chamber they may sit, whether they be Mannites or the most blue-blooded of Conservatives. Surely the producer who corresponds with his agent at home——

Senator TRENWITH.—Has a right to be protected from the aggression of shipowners.

Senator FRASER.—Have I not supported a Bill which does protect the shipper? I am not a shipping partisan, nor, I hope, a partisan of any description.

Senator GIVENS.—Is the honorable senator not a distinct party man in one respect?

Senator FRASER.—I am glad to support any honest Government. It is difficult for an Administration, in view of the pressure which is brought to bear, to at all times go in the right direction, and it is often the first step aside which brings about ultimate disaster. We have undoubtedly gone in the wrong direction in regard to the matter immediately under discussion. This country lives by its natural products—by its wheat, wool, butter, cheese, hides, tallow, gold, and coal. We cannot progress without shipping facilities. The vessels which come to Australia are a credit, and every additional vessel which leaves our shores is a further indication of our prosperity. If a hardship is imposed on shipping by the imposition of high local charges, the primary producer will be the sufferer. We have to meet our obligations at home and elsewhere, and we shall not be able to do so if we do not help the primary producers, and do all we can to prevent any disorganization of our trade and shipping services.

Senator STEWART (Queensland).—The matter which has been referred to is no doubt of very great importance. We can all agree with Senator Neild, and other honorable senators who have spoken, in desiring that the producers of this Commonwealth shall have every facility for the transport of their products to the European markets. But we should not allow ourselves to be alarmed by what appears to be merely a business move on the part of these shipping companies. They, no doubt, desire to get as much out of Australia as they possibly can. They are evidently annoyed at the prospective withdrawal of the mail subsidy. I point out to honorable senators that one matter has been referred to by Mr. Anderson which throws a lurid light on this subject. I refer to that gentleman's references to Canal dues. He is reported to have said—

The Canal dues are very heavy. Last trip the *Orontes* paid £2,100 in Canal dues. . . . The subsidy we received practically went in payment of Canal dues.

I read a paragraph in a newspaper a few days ago which stated that the £4,000,000 worth of shares in the Suez Canal, which were purchased by Lord Beaconsfield on

behalf of the British Government are now worth £20,000,000. The paragraph also stated that the Canal dues charged are exorbitant.

Senator FRASER.—When the Nicaragua Canal is opened, there will be keen competition between it and the Suez Canal.

Senator STEWART.—The newspaper paragraph to which I refer stated that the Panama or Nicaragua Canal would soon be opened, and would be placed in competition with the Suez Canal.

Senator STANIFORTH SMITH.—That will take eight years.

Senator STEWART.—It might. But there is no reason why we should alarm ourselves. So long as there is business to be done in Australia, the ships of these companies will continue to come here, even in larger numbers than they have done hitherto. In the interview with Mr. Anderson, which is published in this morning's *Age*, I find that that gentleman says that his company contemplates sending out even larger vessels than those at present engaged in the Australian trade.

Senator GRAY.—Big cargo steamers that will go round by the Cape is what he referred to.

Senator FRASER.—They will go round by the Cape, in order to save Canal dues.

Senator STEWART.—I do not believe that either of these companies will carry out their threat, and, further, I believe that if they do, there are other companies which will be found ready to step into the breach to provide the Commonwealth with the necessary shipping facilities to carry on its business with the old country.

Senator DRAKE (Queensland—Vice-President of the Executive Council).—It was not to be expected that the Peninsular and Oriental and Orient Companies would be satisfied to lose the subsidies which they have hitherto been paid for the carriage of mails. When the Post and Telegraph Bill was being passed, a clause was inserted requiring that vessels employed in connexion with Australian mail contracts should carry white crews. A great many persons said at the time that that provision would be the means of preventing these companies from carrying out their contracts. I speak with some knowledge in this matter, because I had to do with the framing of the tenders which were called for. As soon as it was proposed to call for tenders for these services, and the form of invitation was drawn up, a number of requests were received by the Government from various quarters, suggesting extra conditions with which the companies should be asked to comply. For instance, there was refrigerating space, ventilating machinery, and accommodation for crews and passengers dealt with in these recommendations. These requirements so overloaded the conditions that it became almost impossible for any company to comply with them without making such structural alterations in their steamers as would render it necessary for them to demand a very much higher subsidy. There can be no doubt that the conditions imposed with regard to the carrying of cargo and the accommodation to be provided for passengers and crews had more to do with an increased subsidy being demanded than did the section of the Act requiring that white crews should be employed.

Senator PEARCE.—Did not Mr. Anderson himself admit that in some correspondence on the subject?

Senator DRAKE.—It was stated in the correspondence. The various conditions to be complied with were such as to almost render it necessary for any company tendering to provide a new line of steamers. It was, therefore, no wonder that difficulty was experienced in getting shipping companies to tender under the conditions imposed.

Senator PLAYFORD.—The conditions have been altered since.

Senator DRAKE.—They have. I do not know whether there is any novelty in the idea, but it seems to me that in connexion with the shipping trade between Europe and the Commonwealth, it would be found an advantage to separate the carriage of mails from the carriage of cargo, and no longer insist upon their being taken together. This is done by some of the States. For instance, the Queensland Government have now a contract with the Aberdeen Line, a very fine line of steamships, for the carriage of cargo, chiefly dairy produce and meat, in refrigerating chambers. If we were to separate the carriage of mails from the carriage of cargo, under such conditions as it was suggested we should impose, I think we should have a better prospect of securing a tender for a mail service with the condition that white crews should be employed, in accordance with the section of the Post and Telegraph Act to which I have referred. I may perhaps repeat again what I have already said so often, that it does not seem to me to be a fair thing to load up the expendi-

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ture of the Post and Telegraph Department with subsidies paid for other than postal services. In Canada I believe that a different system is adopted. They have what they call a "Commercial Fund," from which they draw for the payment of subsidies for commercial purposes, and they are under the control of a separate Minister, and are separately voted. That appears to me to be a business-like arrangement, because under such a system the Post and Telegraph Department is debited only with the actual cost of the carriage of mails. That has not been done in the Commonwealth up to the present time, and as a consequence we are unable to get a separate mail service, and have to depend for the carriage of mails on the poundage system. Many persons have a habit of saying that this system has proved to be practically a failure.

Senator Lt.-Col. NEILD. — Surely the honorable and learned senator does not deny that it has proved a failure?

Senator DRAKE.—It is not a failure on account of the section in the Post and Telegraph Act requiring the employment of white crews, but on account of the other conditions which were demanded by the Commonwealth Government when tenders for these services were invited.

Senator Lt.-Col. NEILD.—Of which Government the honorable and learned senator was a distinguished member.

Senator DRAKE.—I was Postmaster-General at the time, and drew up the advertisement calling for tenders. But as I have said, a great many applications were made to the Government to insist on this and that condition in order that the service might be made more beneficial in the interests of persons engaged in the various exporting industries. I rose mainly to point out that if there has been a failure to secure a satisfactory mail contract such as we enjoyed before, that is not to be put down solely to the section of the Post and Telegraph Act to which I have referred, and to which so much exception is taken.

Senator Lt.-Col. NEILD (New South Wales).—In bringing this matter under the notice of the Senate, I scrupulously avoided any controversial questions with reference to white labour, conditions of contract, or anything else. These matters have been introduced by other honorable senators, and for their introduction I am not responsible. I introduced the matter in the broadest way in which it could be submitted. I made no charge against any one, and did not indicate at whose door responsibility should lie for the imminent failure of the communication with Europe which Australia has enjoyed for so many years. I cannot help commenting upon the strange unrest on the part of one honorable senator in particular who has occupied a vast deal of time in addressing the Senate on matters of interest to himself, while I have remained silent day after day. It does seem a little ungenerous that on the only occasion on which, since I have been a member of the Senate, I have moved the adjournment of the Senate, my motive in doing so should be attacked. I think that, having drawn attention to a matter of the gravest public consequence, I might have been spared ungenerous remarks from honorable senators who do not take the same view of the question that I do, not because of any want of goodwill on their part, but simply on account of their lack of knowledge. Senator Keating thought I had done something which was not right. The honorable and learned senator has got his turbine steamer, and he should be satisfied with his little glory, and the advantage derived by his State. I was saying nothing on behalf of my State, but speaking for the people of Australia so far as I could in a public sense, and in no narrow or parochial sense. The matter to which I directed attention has been discussed, and, the Attorney-General having given his assurance that the Government will take such steps as may be possible to prevent the great injury to Australia's interests that is now threatening them, I am satisfied with having done my duty, and in order to permit of the speedy transaction of the business with which we have yet to deal I ask leave of the Senate to withdraw my motion.

Motion, by leave, withdrawn.

CASE OF MAJOR CARROLL.

Senator O'KEEFE (for Senator HIGGS) asked the Attorney-General—

1. Will the Minister for Defence ascertain from Colonel J. C. Hoad whether the following letter was written by him: —

"Military Forces of the Commonwealth,
"Head-Quarters, Melbourne,
"May 27, 1903.

"Captain and Hon. Major J. W. M. Carroll, Retired List.

"Sir,—With reference to your letter of the 14th inst., I am desired by the General Officer Commanding to inquire whether

you are prepared, in the event of being placed on the Unattached List as requested, to refund the gratuity awarded you on retirement.—I have the honour to be, Sir, your obedient servant,

"J. C. Hoad, Colonel,
"D.A.G. and C.S.O."

2. Will the Minister for Defence ask Colonel Hoad to state on sworn affidavit was he, as the letter states, desired by the General Officer Commanding to inquire if Captain Carroll was prepared to refund gratuity if placed on the Unattached List?

3. Will the Minister lay Colonel Hoad's reply on the table of the Senate?

Senator Sir JOSIAH SYMON. — The answers to the honorable senator's questions are as follow:—

1. The Minister is not aware of any doubt that the letter was written by Colonel Hoad.

2 and 3. The Minister is not satisfied that any useful purpose will be served by asking Colonel Hoad at present to make any statement on the subject.

NAVAL BOARD.

Senator PEARCE (for Senator Matheson) asked the Attorney-General—

Does the Government intend that the professional member of the proposed Naval Board should also hold a State command?

Senator Sir JOSIAH SYMON. — The answer to the honorable senator's question is as follows:—

Yes, for the present, in the interests of due economy.

KALGOORLIE TO PORT AUGUSTA RAILWAY SURVEY BILL.

Second Reading.

Debate resumed from this day (*vide* page 8458), on motion by Senator Sir Josiah Symon—

That the Bill be now read a second time.

Senator Dobson.—I desire to raise a point of order before the debate is resumed by Senator Henderson, and it is that legally and constitutionally this order of the day ought not to be proceeded with. Under sub-section xxxiv. of section 51 the Federal Parliament has power to undertake—

railway construction and extension in any State with the consent of that State.

I take it, sir, that a condition precedent is that the consent of the State shall have been obtained in a constitutional manner, namely, by Act of Parliament, before any such Bill as this can be introduced into this Parliament. I should have taken the point yesterday but for the fact that we were all in a great hurry, and there was hardly time to think of it. The Attorney-General has greatly strengthened my contention by showing the utter farce to which the Senate would be reduced if the debate were allowed to proceed. Speaking yesterday on behalf of South Australia, he said, "We are not in favour of the railway; we are in favour of the survey, and we shall give our decision after the survey has been made."

Senator Sir Josiah Symon.—No, I did not say that we were not in favour of the railway. What I said was that I was not in favour of the construction now.

Senator Dobson.—I took down my honorable and learned friend's words.

Senator Sir Josiah Symon.—Will my honorable friend allow me to correct him?

The PRESIDENT.—The question as to whether the Attorney-General is or is not in favour of the Bill does not involve a point of order.

Senator Dobson.—If the Constitution empowers this Parliament to do a certain thing, with the condition precedent that the State affected has to consent, and no consent has been given, how can you, sir, rule that this Bill is in order? Every Prime Minister and every Premier who has touched upon the matter in the published correspondence has taken it for granted that the consent of South Australia was a condition precedent. They have written and telegraphed time after time to get authority to proceed with the survey, but in every instance South Australia has declined to give its consent, and when the Attorney-General gives away the whole case——

The PRESIDENT.—That is not a point of order.

Senator Dobson.—I am only instancing that as evidence that it is absolutely wrong to say that South Australia has consented to the construction of this railway. The Attorney-General does not approve of the construction of the line, and he tells us that the Government will give its decision when it has seen the survey. The High Court could be appealed to to grant an injunction to prevent this money from being spent, or, if it were spent, South Australia could decline to allow the Commonwealth to enter its territory or build a yard of the railway. It could change its mind and say that, as it was such a good thing, it would build the line for itself. I believe that South Australia could sue the Government for its proportion of the £20,000. If it did, I believe that

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every other State could follow its example, and that the High Court would be bound to say that before the Federal Parliament could touch this subject, it must have obtained the consent of the two States concerned, in the form of an Act of Parliament. Unless you, sir, can hold that this sum of £20,000 is not for the construction of the railway, I submit that you are bound to rule in my favour. We are talking about the survey, the construction, the equipment, and the maintenance of a railway, but all those four things are included in the word "construction." If any company had power to buy the line, the cost of survey would be included in the purchase money. The cost of the survey of the line cannot be separated from the cost of its construction any more than we could separate the cost of the plans from the cost of a house.

Senator Sir JOSIAH SYMON.—Could we not vote something for exploration for the development of the Commonwealth?

Senator DOBSON.—There is no occasion to discuss what we could do; I am talking about what it is sought to do.

The PRESIDENT.—Does not the honorable and learned senator see that the question he is raising is not a point of order at all? It is a question of the construction of the Constitution, and that is a matter for the High Court to decide.

Senator DOBSON.—If you, sir, hold that the construction of the provision is so complicated that you do not think that you ought to decide the question, I can understand your point of view, but I think that the construction is so plain that the Attorney-General ought not to be allowed to take up the time of the Senate, and play fast and loose with politics.

Senator Sir JOSIAH SYMON.—Whose politics am I playing fast and loose with?

The PRESIDENT.—I do not think that the honorable and learned senator is arguing the point of order.

Senator DOBSON.—If you, sir, rule against me, I must leave it to the Attorney-General to take the responsibility of introducing a Bill which he must know is merely waste paper.

The PRESIDENT.—Under the plea of raising a point of order, the honorable and learned senator has raised a question, which may or may not be well-founded, as to what the Constitution means when it states that no railway shall be constructed without the consent of the State in which it is to be built, and also the question as to whether the voting of the money for a survey is part of the construction of the railway. With all due respect to him, I do not think I ought to rule on these points. These are questions for the High Court to decide. It is not for me to say whether the Senate shall or shall not pass a Bill which is alleged to be in contradiction of the Constitution. I do not think there is any point of order raised.

Senator Sir JOSIAH SYMON.—Do you, sir, think that the honorable and learned senator is in order in imputing that I am introducing a Bill which I must know is mere waste paper?

The PRESIDENT.—I do not think he is.

Senator DOBSON.—I think, sir, that you ought to know that my statement is correct.

Senator Sir JOSIAH SYMON.—I know the contrary—that the honorable and learned senator is constitutionally wrong.

Senator HENDERSON (Western Australia).—When I moved the adjournment of the debate at the last sitting, I had an idea that a true reflection of the opinion of the Senate was not likely to be ascertained, owing to the refusal to adopt certain procedure. I had intended to speak to the main issue purely or mostly from a national point of view. But I was led to believe that some honorable senators were particularly anxious that the question should go to a division at the earliest possible moment. I am somewhat awe-struck to find that so small a particle of national feeling is exhibited in debates relating to questions which may be particularly applicable to one State whilst being generally applicable to us as a nation. We were practically accused of desiring to do something which would benefit Western Australia, but would be unjust to the other States. That mode of reasoning may be very good on questions which relate purely to local purposes and local events. But I opine that there is no honorable senator who will so far shut his eyes to the actual facts as to entirely ignore and deny the immense obligation of the Commonwealth in regard to this proposed line. It would be ill-advised on my part, I think, to enter into any lengthy discussion of the question. It has been said by some honorable senators that until a bridge is erected over Bass Strait we have practically no claim to this line. We have not attempted to take up that position. But we have said that Nature herself has emphatically denied the

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logic of that argument. Nature has bound five States in one strip of land from east to west, whilst she has provided a broad stream of water between the Commonwealth and Tasmania. Therefore, Nature has certainly repudiated the argument. We know that we cannot possibly have a proper system of national defence until we have adopted all modern means for the transport of our stores, ammunition, and men, from one end of this vast continent to the other. The absence of a national spirit, and the indisputable parochial spirit which has been imported into this debate, is decidedly to be deplored. I sincerely trust that I shall never witness again an occurrence like that which I witnessed here last night. I trust that in the future, honorable senators will be capable of looking more fairly at any question which may be submitted than they looked at this project last night. I sincerely hope that there will never be the semblance of a repetition of the tactics which have been adopted in the Senate during the last four or five days, with a view, in my opinion, to prevent this Bill from becoming law. It is obvious to any honorable senator, who has watched the proceedings, that the intention of certain honorable senators has been to use every facility afforded by the Standing Orders to delay business in order to defeat the Bill. I trust that the time will come when every honorable senator will be able to look from a more exalted point of view at the position which he holds as a representative of the people.

Senator DOBSON.—Would it not be better to go into the merits of the case instead of lecturing the Senate?

Senator HENDERSON.—Probably so, but I wished to make these few observations in order that those who are opposed to the Bill might give us some reasons for their attitude.

Senator O'KEEFE (Tasmania). — The honorable senator, who has just resumed his seat, did not deal quite fairly with those who are opposed to him. I, for one, repudiate any idea of wishing to prevent the Senate from coming to a decision on this most important question. I know that Senator Henderson's remarks did not apply to me, because, unfortunately, circumstances prevented me from being present last night. I am sorry I was not here. We have not had much excitement during the session, and I should have liked to take a back seat, and to view the heated scenes that occurred. I know that this Bill was strenuously fought by those who do not believe in it, but it is not fair for my honorable friend, Senator Henderson, to charge his opponents with deliberately wishing to prevent a decision being arrived at.

Senator HENDERSON.—That was the impression.

Senator O'KEEFE.—It must be remembered that we had no opportunity to discuss this Bill, which involves most important considerations, until yesterday. There are some honorable senators who were not then prepared to come to a vote upon it. I admit that my mind is made up. After having learnt all I possibly could, I formed my opinion some time ago. But though I oppose the Bill, I should be quite opposed to any resort to what are called "tactics" to prevent a decision being arrived at. I do not believe in that kind of thing. Coming to the merits of the Bill, late though the hour is, and though we are within a short time of putting up the shutters for the session, I think the question is too important to give a silent vote upon it. I speak as a representative of a State which has incurred very great expenditure in building railways. Nearly half the national debt of Tasmania was thus incurred. I believe that nearly all the other States are in the same position. It seems to me to be hardly fair for one State, or for two, to come to the other States in the Union and to say, "We wish to have a railway built, and we believe that it is a national work, which will benefit the whole of Australia; we believe that it will advance the interest of the people of the Commonwealth in regard to the quicker transit of their mails, and the more convenient carriage of passengers. Therefore, we ask that the people of Australia shall share the cost of construction." It is impossible for any one to shut his eyes to the fact that, although in a small sense this railway may be called a national work, it is a work which will particularly benefit two States. An honorable senator who takes that view cannot be called parochial. Other States have built railways for the benefit of their own people. If this Transcontinental Railway is going to be a good work—and if it is ever constructed, I hope it will prove to be good—it is clear that Western Australia and South Australia will get at least nine-tenths of the benefit from it. If then they desire that the rest of the people of Australia shall undertake the cost of construction, they might at least undertake the preliminary survey, so as to obtain all the necessary information to enable the repre-

sentatives of the other States to decide whether it will be advantageous to undertake the work or not. After the survey has been made, the two States particularly interested may be able to come to the Commonwealth Parliament and say that they have something like a good case for the construction of the work.

Senator STANIFORTH SMITH.—Would not the other States say that the report of the surveyors was biased?

Senator O'KEEFE.—Not at all. There are surveyors in this country who cannot be bought. It is putting a very low estimate on the honesty and integrity of the surveying profession to insinuate that we cannot obtain the services of surveyors who would undertake this work and present an absolutely fair report. Surely that is a very weak argument. It does not matter whether the survey is undertaken under the auspices of the Federal Government or of the States Governments. The result will be very much the same. We can implicitly rely on the reports of some men in Australia who might be chosen for this duty. Western Australia would naturally take very good care to employ officers whose reports would carry conviction, and whose integrity and honesty were undoubted. If this preliminary work were done, Western Australia might have some claim to come to the Federal Parliament, and say, "We have shown that this railway is likely to be payable; we know that it is going to be a very great convenience to the people of the eastern States as well as a direct benefit to Western Australia and South Australia. We now ask you to assist us to build the line." It is all very well for Senator Henderson and my other honorable friends from Western Australia to charge the opponents of this Bill with holding parochial views. We are justified in placing on record our opinions, as representatives of the people of the other States. It might be well in answer to the rather serious charges that have been made against the opponents of the measure, to call their attention to certain facts. In round figures, New South Wales has expended £41,000,000 in railway construction; Victoria has expended £40,000,000; Queensland, £20,000,000; South Australia, £13,000,000; the Northern Territory, £1,000,000; Western Australia, £7,000,000; and Tasmania, nearly £4,000,000. It is also instructive to follow up the figures given in *Coghlan* in connexion with the railways of Australia. We find that the State which stands better than any other in regard to the amount of interest earned by the railways in proportion to capital cost, is Western Australia. In view of that fact, it seems to be rather unfair that when that State is interested in the construction of this line, it should not be prepared to spend £20,000 on this preliminary survey, but should ask the other States of the Commonwealth to incur the cost. *Coghlan* says:—

> A true comparison is afforded by taking the rate of interest payable on the actual sum obtained by the State for its outstanding loans. On this basis, the only State which shows out advantageously during the year ending 30th June, 1902, was Western Australia, where the lines returned a profit of 0.27 per cent. after defraying interest charges on the capital cost. In New South Wales the receipts were adversely affected by the unfavorable season, and the interest returned only reached 2.52 per cent., while the actual rate payable on outstanding loans was 3.67 per cent., so that there was a deficiency of 1.15 per cent. on the year's transactions. Victoria also experienced the effects of the adverse season, the net receipts being only 2.47 per cent. on the capital cost, while the actual rate of interest on outstanding loans was 3.86 per cent., there being thus a shortage of 1.39 per cent. on the year's working. The receipts of the Queensland lines also suffered, the return being at the rate of 1.48 per cent. on the capital cost, while the interest charge on the loans of the State was equal to 3.92 per cent., the loss on the year's business being, therefore, 2.44 per cent. In South Australia proper, the net return for the year was equal to 3.08 per cent. on capital cost, and according to the method of comparison above adopted, this represents a loss of 0.66 per cent. for the year. As explained in subsequent pages, the lines in the Northern Territory are handicapped to such an extent that they do not pay even working expenses, the loss on capital cost being at the rate of 0.13 per cent., and this figure added to 4.37, the actual rate of interest payable on outstanding loans, gives a deficiency of 4.50 per cent. on the year's transactions. The Tasmanian railway revenue showed a return equal to 1.56 per cent. on the capital cost, an improvement on the figures of previous years, but, as the actual rate of interest on loans outstanding was 3.76 per cent., there was a deficiency of equal to 2.20 per cent.

It is shown that in every State except Western Australia, after deducting the expenses, the earnings do not pay the interest on the cost of construction.

Senator PEARCE.—In Western Australia the gold-fields line, which is the best paying in the State, will junction with the proposed line.

Senator O'KEEFE. — That is a very good argument why Western Australia should defray the cost of the survey. If the Western Australian people take a statesmanlike view of the matter, they will endeavour to come to some arrangement with

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the South Australian people for a survey to be made. If it could be shown on good expert evidence that the cost would be, as we have been told, something like £5,000,000, and that within a reasonable number of years the line would pay not only working expenses, but interest on the capital expended, there would be better ground for asking the Federal Government to take some action. We all admit, of course, that the construction of this line would be a very large undertaking for Western Australia and South Australia; but I cannot be charged with taking a parochial view, when I complain that Western Australia, which is the most interested State, is not prepared to spend £1 more than any other State is asked to spend. It must be admitted that Western Australia would derive nine-tenths of the benefits which accrue from the construction of a Transcontinental Railway.

Senator DE LARGIE.—We admit nothing of the kind; the whole of Australia would benefit.

Senator O'KEEFE.—No doubt; but Australia as a whole would not benefit in a very large degree.

Senator DE LARGIE.—The mails would arrive sooner.

Senator O'KEEFE. — We might get quicker transit of mails, and carriage of passengers, but I do not know that it would be of very great benefit to nine-tenths of the people of the Commonwealth to receive their letters two days sooner than hitherto. No doubt a quicker mail service is of some advantage, but to the great bulk of the people it is not an exceptionally great benefit. The sum proposed for the purposes of a survey is not very large, perhaps, when spread over the population of the whole of the States. I do not think, however, that the Western Australian people have taken a fair view of the question. It is not honorable senators who ought to be charged with taking an un-Federal view, but the Western Australia people themselves; but, in saying that, I do not refer to the parliamentary representatives of that State. Western Australia has had the "best of the deal" throughout under Federation, and cannot complain if the people of the other States do not regard with favour the proposal before us.

Senator DE LARGIE.—What does Western Australia get from Tasmania?

Senator O'KEEFE.—Just what Western Australia gets from the other States. A great deal of benefit is derived by Western Australia from Tasmania under the special Tariff of the former State.

Senator HENDERSON. — The people of Western Australia pay every penny of the duties imposed under that Tariff themselves.

Senator O'KEEFE.—Under the special Tariff Western Australia has benefited at the cost of Tasmania to a very great extent. But for that provision, Tasmania would have been able to do more trade, and on better terms, with the western State, and, altogether, the Western Australian people cannot grumble at the treatment they have received under Federation. I do not wish to re-open the question of the special Tariff; but the interjection by Senator de Largie compels me, in the defence of my own State, to show that Western Australia has enjoyed a great deal of benefit which would not have been received if that State had entered Federation on the same terms as did the other States. Having received that differential treatment, Western Australia now asks the Commonwealth to legislate to her advantage, by providing £20,000 for the purposes of the proposed survey. The information up to the present is not as full as it should be before we embark on this expenditure of £20,000. However, it is not only the immediate expenditure we have to consider, but that which may follow. It is nonsense to say that if we spend £20,000 on the survey, and the reports are favorable, the Commonwealth will not be committed to the construction of the line. I do not contend that Western Australia and South Australia should be asked to provide, without some guarantee, the whole of the money necessary for the construction of the line; and if some assistance of the kind had been asked for, in view of the loss which must occur for the first fifteen or twenty years, a better case could have been made out, and no doubt the representatives of the other States would have been willing to extend the fullest consideration under such circumstances. But as it is, the people in the extreme south of Tasmania, and in the extreme north of Queensland, who can never possibly benefit from such a railway, are asked to subscribe to the proposed £20,000 in equal proportion with those who will derive all the advantages. As I have said, if we pass this Bill we shall be committed to the construction of the railway.

Senator WALKER.—Not necessarily.

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Senator O'KEEFE. — I am perfectly willing that there should be a vote, but I trust that the Senate will not agree to the second reading of the Bill. I should like to offer a kind of personal explanation why my name will not be found on the division list. I should have liked to record my vote against the proposal, and I do not remember any other occasion on which I have so unwillingly consented to grant a pair; but an honorable senator cannot be here except at great risk to his health. That honorable senator at first was inclined to oppose this measure—indeed, he said he would do so—but, on fuller consideration, he decided to afford it his support; and he has asked me to pair with him. This is a question on which very keen feeling has been exhibited during the last twenty-four hours, and I can quite understand honorable senators having a great disinclination to grant pairs. But, as under similar circumstances, I have been under an obligation to the honorable senator to whom I refer, I could not refuse to return the courtesy. It may be said that that honorable senator first pronounced himself against the Bill, and is now in favour of it; but that has nothing to do with me. If that honorable senator, or any other honorable senator, chooses, on fuller information, to change his mind, that is a question between himself, his conscience, and his constituents. I regret very much that this honorable senator has changed his mind, but I have explained why my name will not be found recorded in the division list amongst the "Noes."

Senator DOBSON (Tasmania). — For many reasons I desire to say something about this proposal. First of all, I should like to make my own position clear, and to place before the Senate and honorable senators opposite the position of Tasmania; secondly, I should like to show that so far from the anti-Federal spirit being on this side, it is all on the other side—that so far from parochialism being on this side, and honorable senators here taking an unfair or an unjust view of the matter, that charge could be made with a great deal more truth in respect of the supporters of the measure. This is one of the most extraordinary pieces of legislation I ever had anything to do with, and I propose, for the benefit of the Attorney-General, who must be held responsible for his conduct in the matter, to dwell for a moment or two on the constitutional aspect with which the President said he could not deal, but which I deem it to be the bounden duty of the Prime Minister and the Attorney-General to consider. The Bill comes before us in a most extraordinary shape——

Senator Sir JOSIAH SYMON.—The Government considered the matter, and decided that the Bill is all right.

Senator DOBSON.—The Bill cannot constitutionally be before us unless Western Australia and South Australia have consented, by Act of Parliament, to the railway being constructed by the Federal authorities. Every Premier and Prime Minister who has dealt with the question has regarded the consent of those two States as a condition precedent under the Constitution. In a telegram to the Prime Minister the Premier of South Australia asked—

> Shall be glad to be advised whether . . . you will be prepared to pass Act authorizing Federal authority to proceed with work of construction.

The following message was sent by the Premier of South Australia to the Prime Minister:—

> . . . we would be agreeable to ask Parliament when next assembled to pass a short measure with that object. I do not suppose you intend to ask your Parliament to pass legislation providing for the construction until survey is made, and some reliable estimate prepared of probable cost.

Then there is this telegram from the Prime Minister to the Premier of South Australia—

> Shall be glad if you will kindly advise me disposition of your Government towards question of authorizing construction.

That was followed by a telegram from the Premier of South Australia to the Prime Minister—

> Replying your wire 11th, Kalgoorlie-Port Augusta railway, when survey is made, and reliable estimates of probable cost are prepared, we should be pleased to advise you as to what action we shall then ask the State Parliament to take.

Here are the very words of the Premier of South Australia, which the Prime Minister used last night. That they do not approve of the railway, but do approve of getting the land inspected, the route inspected, and the survey made at the expense of the Commonwealth. And when we have done that they will be kind enough to make their decision as to whether they will consent to the construction of the line or not. I ask whether it is right for any Government to ask us to pass a measure which places the Commonwealth in such a

terrible position as does this Bill—that we should be at the mercy of South Australia, though that State has not consented to the railway, and at the present moment declares that she will not consent to it, but waits to know the result of the survey, and then when she sees how the cat jumps, will make up her mind.

Senator PLAYFORD.—She consents to the survey, but not to the construction of the line. The honorable and learned senator's contention is that the survey is a part of the construction, which it is not.

Senator DOBSON.—Certainly, it always is. Let us see what Mr. Deakin had to say on this question. When Prime Minister, Mr. Deakin wrote a long letter to the South Australian Government, in order to make them toe the line, and to induce them if he could to pass the Enabling Act, which is absolutely essential before this Bill can be properly considered in this Chamber. The South Australian Government had been putting him off, and would not consent to what was proposed, and he writes—

> The request for further information comes unexpectedly at this stage, when all the knowledge that could be expected prior to a detailed examination of the route has already been acquired. Even this would probably alter the sum quoted but very slightly, if at all.
>
> To make a complete survey might cost £20,000, and before asking the Commonwealth Parliament to approve of this expenditure, it is only reasonable that the consent necessary under sub-section 34 of section 51 of the Constitution should be obtained. Your Government and Parliament have much better information now as to the probable cost of the work than when Mr. Holder's promise to the Government of Western Australia was made in 1900, and I shall be glad if you could see your way to consider this sufficient for present purposes, and at the earliest date pass an Act authorizing the Federal Parliament to proceed with the work. This has already been done by the legislature of Western Australia.
>
> In regard to your apprehension as to cost, it may be fairly pointed out that the ultimate decision with respect to this great project rests with the Federal Parliament, and it may, I think, be presumed that that Parliament, in which the interests of South Australia are fully represented, will in this, as in all other matters, be careful not to involve the people of Australia in a large expenditure without a reasonable prospect of commensurate benefits to the Commonwealth.
>
> May I ask you, therefore, relying on this assurance, to take an early opportunity of complying with the undertaking entered into by the Premier of your State in 1900, an undertaking which I have said, was widely published at the time, and which has been implicitly relied on ever since by the Government and people of Western Australia, as well as by the Government of the Commonwealth in the action it has already taken.

That is Mr. Deakin's opinion.

Senator DE LARGIE.—Everybody agrees with that.

Senator DOBSON.—If my honorable friend agrees with it, he now says that this survey is not to be considered as part of the construction of the railway. If this Commonwealth Parliament had a right to erect buildings in any part of the States with the consent of the States, we might as well say that we could get plans for the erection of those buildings before we secured the consent of the State. I take it that in such a case the High Court would forbid us to spend the money. The High Court is the interpreter of the Constitution, and is charged with the duty of seeing that the Constitution is carried out. If this Bill does pass, I hope that my State—and it certainly will if it is guided by my advice—will immediately apply for an injunction to prevent one shilling of this money from being spent.

Senator PEARCE.—The injunction would cost the State more than the survey.

Senator DOBSON.—I come now to deal with the Federal aspect of the matter. In this regard this proposal stands in about as unhappy a position as it possibly could. The very gentlemen who accuse us of a want of the Federal spirit are themselves the persons who are guilty of an anti-Federal spirit in this matter. All my life I have been engaged as a family solicitor in the endeavour to see that what is right and just shall be done between parties, and, acting as an arbitrator, inducing men to settle their differences outside a Court of law. I take it that I have acquired some facility for looking at both sides of a question. I have been frequently, and most unjustly twitted in the Senate, with changing my mind and altering my opinion, but I never do so when I have a conviction that I am right. I should like to direct the attention of the Senate for a moment to the spirit in which this whole venture is thrust upon us. Western Australia gets it into her head that she cannot induce South Australia to come into this matter with her, and because something has been said about this being a Federal matter, and about the Federal Parliament helping, she at once devotes the whole of her energies to inducing the Federal Parliament to take up this work. In a word, she expects Tasmania, with 430 miles of railway, which for many years did not pay 1 per cent., and which have been an enormous drain upon that small State, to help

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in the construction of 625 miles of railway in South Australia and 480 miles of railway in Western Australia, whilst there is not a single suggestion submitted in a legal shape to guarantee us against loss, or to provide that the land for twenty-five or fifty miles on each side of the line shall be placed in trust to meet any loss that may be involved. The two States of Western Australia and South Australia expect to reap enormous benefits by the construction of this railway, in the development of this enormous territory, of the mineral resources, if there are any there, and of the land if it is fit for pastoral pursuits. They expect to largely increase their population and the revenue from existing State railways. The papers are teeming with the advantages and benefits which they expect to obtain, whilst there is not a single suggestion that they are prepared to in any way help the other States by keeping in trust land to meet any loss that may accrue. Is that in accordance with the Federal spirit? Is that either just or fair? How well I recollect the debates of the Federal Convention, when Sir John Forrest, and every representative of Western Australia, hour after hour, unceasingly, and at all times, insisted that Western Australia could not, and would not, enter the Federal Union unless she was given some right with respect to her Tariff, which was denied to all the other States.

Senator DE LARGIE.—That was not proposed by a Western Australian representative.

Senator DOBSON.—Whilst the basis of the Union was admitted to be unfettered trade throughout the Commonwealth, Western Australia laid it down by her representatives—whose action I understand is now being repudiated, although we are living in a democracy—that she could not be expected to enter the Federation unless she were conceded the great boon of being allowed to charge duties against the people of the other States. I am aware that the men who agitated for this concession were honest and sincere, but we all know now that they were absolutely and entirely wrong.

Senator DE LARGIE.—Who proposed it?

Senator DOBSON.—The proposal, as a matter of justice, was not entitled to a moment's consideration, but, after getting that concession and securing its embodiment in the Constitution, they have now the temerity and the audacity to say that, although it is not stated in the Federal bond, the construction of this railway was an implied condition and a part of the bond. Is it showing a Federal spirit, after having fought out the Tariff question, and insisted that the concession should be granted, that Western Australia should now, four years afterwards, contend that something else was implied in the Federal bond? In order that I might make no mistake in this matter, and might not misrepresent the case of the other side, I wrote to my right honorable friend, Sir John Forrest, and told him that the more I looked into this proposal the more I was opposed to it; but, in order to prevent me from doing his side an injustice, I asked him if he could point to a single page in the records of the Convention on which the Transcontinental Railway was mentioned. I got a reply marked private, but I desire now to state that I have not the faintest recollection, not only of that railway having been discussed in the Convention, but of ever having heard it mentioned there during the whole of the sessions of the Convention.

Senator FRASER.—It was never referred to.

Senator DOBSON.—If that be so, how comes it that this great "King of the West" should now feel himself entitled to foment this agitation, and bring forward this scheme of his at all times and in all places, inviting people to believe that if the construction of this line is not actually a part of the Federal bond, it is an implied condition on which Western Australia entered the Federation. Such a statement is absolutely contrary to the facts. We all know that the Constitution, as framed by the Convention, did not meet with the acceptance of the people. I do not know what took place at the subsequent Conference of Premiers, beyond that which was made public. Was the construction of this railway ever made a condition of Federation there? We all know that New South Wales, at that Conference, insisted upon having in the Constitution a provision that the Capital should be in the mother State, and that Sir George Turner insisted that it should not be within 100 miles of Sydney. Certain alterations were made in connexion with the Braddon clause, the operation of which was extended for ten years; but we never heard on this second occasion one word about this transcontinental desert railway. I therefore say that if any one inside or outside of this chamber

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amongst the four millions of people of the Commonwealth is influenced in any way by the utterances of Sir John Forrest and other Western Australian representatives to alter his opinion on this question, or give one vote hereafter in support of this proposal, that vote will have been obtained by statements which are utterly without foundation. I deny the right of any State to bring a matter of this kind before the Federal Parliament, and try to force it through. Because some honorable senators, having regard to the fact that we are trustees for the whole of the Commonwealth, and particularly for our own States, will not agree to that, they are accused of showing an anti-Federal spirit. I may say that the phrase about a "bridge across Bass Straits," on which the Attorney-General has chaffed me, is not my phrase at all; I got it from *Hansard.* It was used in another place. An honorable member in another place, listening to Sir John Forrest, asked the question, "Why should not Tasmania ask for a bridge?" We might as well ask for such a bridge, and we could then say to Senator Pearce, "If you do not support us in securing the construction of that bridge, to link us with the Federation and with the Empire, as Sir John Forrest has said, you will fail to show the Federal spirit; you will be vile and contemptible." Simply because the proposal to construct this railway was opposed in another place, one honorable member supporting it characterized those who opposed it as "vile and contemptible." I must admit that the honorable member subsequently withdrew the words, and while I am sure sure that he was very pleased to do so, when representatives of Western Australia talk in that way we can understand what their thoughts are. We might suggest railways up and down Australia from one end of the Commonwealth to the other. Each State might come forward with a proposal for a public work involving an expenditure of £5,000,000 of money, and then the representatives of the other States might complain, if it were opposed, that the feeling exhibited was anti-Australian, anti-Federal. There is no foundation for any of these arguments in support of this line, and I am dwelling upon them, not only because they are spoken arguments, but because they have absolutely been introduced into the preamble of this Bill. Is that a proper way in which to treat people? Do we not, as politicians, understand that it is easy to work up a case, no matter how bad and rotten it may be, if we only go the right way about it. If we were to shout hard enough, cry loud enough, and do sufficient log-rolling, we should be able to secure a vote of money to build a railway to the moon. This proposal has been brought to its present position only by the exercise of unfair means.

Senator PEARCE.—Is that how the honorable senator got his duty on hops?

Senator DOBSON.—What has the duty on hops to do with the question?

Senator PEARCE.—Was not the honorable and learned senator speaking about log-rolling?

Senator DOBSON.—The honorable senator forgets that the duty on hops under my tariff was 3d., and when the Commonwealth Government proposed a duty of 6d. we accepted it. Not only did the representatives of Western Australia at the Federal Convention bargain for the right to keep up their duties against the other States, and thereby prevent Inter-Colonial free-trade with them for five years, but they also strongly objected to parting with their revenue. They objected to having one people one purse. They were content that we should be one people, but they desired to keep their own purse, because their gold-fields were attracting population from the other States, and they were far richer than any of the other States. The very men who wanted this great concession for themselves in regard to the Tariff absolutely deny the possibility of giving up the book-keeping system and pooling the revenue, so as to let the poorer States share their much larger revenue. It does not lie in the mouths of my honorable friends opposite to talk about selfishness or parochialism. If they wish to sanction the construction of this railway on the terms contained in this Bill, with all its nakedness, with not a single safeguard to the States for all the advantages which are to be conferred on Western Australia and South Australia, the bookkeeping system should go. If we are asked to build 1,100 miles of railway for two States, and my honorable friends wish to be just and equitable, they will have to give up the bookkeeping system and pool the revenue. Are they prepared to take that course? If they are not so prepared, the representatives of Western Australia are coming before us with smiles on their faces, generosity on their lips, and selfishness and greed in their

hearts. I have written letters to engineers who could help me, and from all the inquiries I have made I believe that in every particular the estimates put before the Senate are grossly understated. I do not think there is any possibility of 1,100 miles of a line being surveyed through a waterless country for anything like £20,000. I believe it will cost £50,000 at the very least, and even then I do not believe it will be sufficient to provide for taking out all the quantities and giving all the information which will be required by contractors before they can submit a tender. My honorable friends will see an enormous sum of £200,000 for engineering and survey in the cost of construction. Again, it is absolutely impossible to conceive that a railway through this country could ever be undertaken for the sum which is named, and I quite agree with Senator Zeal when he says that it would cost nearer £8,000,000 than £5,000,000. The gravest question of all is that of water. Is it the duty of the other four States to prospect Western Australia and South Australia for a distance of 1,100 miles, and ascertain what water they have? Certainly not. It should be the duty of each State to send out its own prospecting party.

Senator O'KEEFE.—The honorable senator must remember that it was also proposed that a search for minerals should go on simultaneously.

Senator DOBSON.—Any party which goes out to survey ought not to prospect for minerals, but to look at the land for a distance of thirty or forty miles on each side of the line and try to find water. All this is more for the benefit of the two States concerned than for the benefit of the Commonwealth. The right course for Western Australia to have adopted, if it had desired to be fair, was to send out parties to search for minerals, to ascertain the character of the land, and, above all, to look for water.

Senator DE LARGIE.—Does not the honorable senator know that the State has done that?

Senator DOBSON.—I know that it has not. I hold in my hand the report of five engineers who were sent out to examine each end of this line, and to make a report. In early paragraphs of their first report, dated 12th March, 1903, they say—

The information to hand is not sufficient to enable us to speak with certainty and accuracy on all points. For instance, the particulars as to possible sources of water supply, both for construction purposes and for locomotive use, are extremely meagre, and the best route cannot be determined without further data, the obtaining of which will effect both the length of the line and its cost.

With regard to estimates of revenue and expenditure, we are faced with the difficulty that both these items depend—the first wholly, and the latter largely—on the traffic to be expected over the line, and this can only be estimated in the vaguest manner.

There is a request for information about the water. The first paragraph of a second report, dated the 29th July, 1903, reads as follows:—

Having been requested to furnish our final report on the above subject, upon the basis of such data as are now available, we have the honour to do so, but we wish respectfully to point out that it must necessarily be less complete than we could wish through our not having received all the information asked for in our first report, dated 12th March last.

The particulars still lacking are those referring to the Gawler Range route, results of bores and test wells which we recommended should be deepened or started on the Nullarbor Plain and in the Sand Hills country.

What could be plainer than that? In the first report they ask for particulars about water, and in their final report, on which we are asked to vote, they regret that that information has not been supplied.

Senator DE LARGIE.—Will the honorable senator now read the report of the survey party which was sent out by the Government of Western Australia? It is lying upon the table by his side.

Senator DOBSON.—I have too many quotations to read to do that.

Senator DE LARGIE.—The honorable senator contradicted me by saying that no survey party had been sent out by the State Government.

Senator DOBSON.—I did not say that.

Senator DE LARGIE.—If the honorable senator makes that admission it is all right.

Senator DOBSON.—I admit that Western Australia sent out some survey parties, and that they met with difficulties. In the first place, they went down 400 feet, and when they went down 2,000 feet what did they find? They found water which was fit for stock only. They found water which might be fit for human consumption, but which was very bad at that. Finding it an expensive matter, my honorable friends have the selfishness to come and ask every other State to join in the cost of seeing whether Western Australia has water in its territory. I was in the House of Lords when Lord Knutsford moved the second reading of the Constitution Bill for Western Australia, and I remember how startled I was

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at the generosity with which the mother country was proposing to hand over these millions of acres to 40,000 persons. If Senator de Largie is so anxious for the other States to help him to search for, and find water in Western Australia, is he prepared to hand over to each State a block of its enormous territory? I suppose he is not. The engineers say that a great deal of the revenue is to be derived from the payments by the Federal Parliament for the carriage of mails. From inquiries of the best official sources, I find that they are absolutely wrong, and that their paragraph on that point is absolutely misleading. It reads as follows:—

We would like to refer to a remark made under paragraph 8 of our first report, that the one item which can be determined with accuracy is the price to be paid for the carriage of mails. We have received no definite information on this subject from the Postal authorities in reply to our request for it. We would point out that in the States of Victoria, New South Wales, and Queensland, an average yearly payment of about £20 per mile on all lines is now made to the Railway Commissioners by the Post and Telegraph Department, and we find that in Victoria a sum of about £20 per mile per annum over and above the ordinary mileage rate is paid solely for carrying European mails passing through Adelaide. In view of those payments, we feel that it is quite justifiable to expect that a sum of £25 per mile of line per annum would be credited to the revenue of the new line, and this we have included.

£25 per mile is the estimate of revenue, and I am supplied with this information from an official source.

If payment were made on the same basis as the arrangement between this Department and the Railway Commissioners of Victoria, the rate of payment for the carriage of mails over the proposed railway would be £6 per mile per annum.

If mail vans be used, an additional payment of 8d. per train mile would be made for each mail van so used.

It is thought, however, that mail vans would be required only *once* a week in each direction, *i.e.*, in connexion with English mails despatched and received, respectively.

The poundage rates payable on mails despatched by sea to and from Adelaide and Western Australia, per non-contract vessels, are 2s. per lb. of letters and post-cards, and 4s. per cwt. of other articles.

The annual amount so payable under existing conditions is about £1,050 per annum.

So that from the £6 per mile paid in Victoria, the £1,050 per annum paid to all the sea-going ships taking mails, and the 8d. per train mile for a postal-car once a week, the engineers estimate a revenue of £25 per mile. The exaggeration there is about 150 per cent. Let us see what is said about the interest on the railways. One engineer has the temerity to put the rate of interest on £5,000,000 at 3 per cent. I shall pass that over, because I suppose that, however admirable an engineer he may be, he knows nothing about finance. The others put the rate down at 3½ per cent., but I should say it would be nearer 4 than 3½ per cent.

Senator FRASER.—Besides that, a portion of the capital would be lying idle before it could earn a penny.

Senator DOBSON.—I made inquiries on that point, and found that that has been allowed for to some extent. The engineers who made up the estimates reckon that the Commonwealth would borrow £1,000,000 per annum for four or five years, and that if the loan were borrowed all at once, it could be deposited in the banks at an interest of 1½ or 2 per cent. The interest is put down at 3½ per cent., when every one knows that it will be nearer 4 per cent. There would be an enormous commission for underwriting, and so forth, and there would be great loss of interest. There are some very large amounts under the head of maintenance which the engineers have under-estimated. Then we come to the interest on the money during the construction of the line, and before it commences to be revenue-producing. One engineer puts it down at £300,000; another engineer puts it down, with compound interest, at £315,000, and the five engineers put it down at £178,000. It would be nearer £400,000, I think, so that the five engineers under-estimate the interest during the time of construction to the amount of £100,000 at the very least. When we come to the item of water supply we find that the representatives of Western Australia are very much to blame for pitching this proposal at our head without sufficient information. But taking the available information, which is entirely guess work, and of the vaguest kind, what do we find? Mr. O'Connor says that the water will cost £594,000. Mr. J. Muir says that for the Western Australia portion of 480 miles the cost will be £183,000, and if you a little more than double that sum for the 625 miles in South Australia, you get £400,000 for the cost of the water, as against Mr. O'Connor's estimate of £594,000. The five engineers, however, say that it would come to only £330,000. These are the gentlemen who, in their first report, were asked for detailed particulars about water supply, and who in their second report regretted that they had not been furnished with the informa-

tion. Then we have Mr. Muir giving an alternative estimate. He says that if the water is brought down from Kalgoorlie, it will cost £1,200 per mile. What does the Attorney-General think the Senate is to make of such figures? Is it fair to ask us to vote for a survey which is to lead to the expenditure of five millions of money on a railway, on the strength of vague guesses concerning a vast waterless waste? My honorable friends who support this Bill will naturally insist that it merely provides for a survey, and that if we vote for it we shall not be pledged to support the construction of the line afterwards. I certainly agree that I should not feel compelled to vote for the construction of the railway, even if I were induced to vote for this Bill. But are my honorable friends who use that argument entitled to do so? They tell us that the only way to make the unity of Australia a reality is to construct the line. What are we to think of an argument of that kind, when we are told at the same time that if we vote for this Survey Bill, involving the expenditure of £20,000, it is not to be taken as pledging us to vote for the construction of the line? The one argument contradicts the other, because, although efforts are made to induce us to support the survey on the ground that it pledges us to nothing further, a pistol is presented to our heads in the form of the second argument that the railway is absolutely essential to carry out the Federal compact.

Senator DE LARGIE.—If a pistol could only shoot some fairness into the honorable and learned senator it would be a good thing to fire one at him.

Senator DOBSON.—I can imagine nothing more unfair than to tell us that the construction of this 1,100 miles of railway is the only way to carry out the Federal compact. Then we are urged to vote for the Bill on the ground that the railway is necessary in the interests of defence. In order to support that contention, it was necessary to obtain a report from Major-General Sir Edward Hutton. But that officer, so far from telling us that the railway is necessary, assures us that it would be of very little use until we have an army to transport across it. I might have used that point yesterday to support my contention in favour of the compulsory training of our youths to participate in the defence of the country. If by adopting the policy which I advocate we are able to raise and train an army to transport over the railway in case of necessity, there would be something to be said for it. But when we have not sufficient money to buy arms and accoutrements for the handful of soldiers we have got, what a monstrous thing it is to say that we ought to spend £5,000,000 upon a railway to transport them to the other end of the continent! I should also like to comment upon the fact that in the first report of the five engineers they put down contingencies at 10 per cent. It is to be remarked, however, that they say distinctly that they have not included in the 10 per cent. anything to cover a rise in the cost of material, such as rails, sleepers, steel, fastenings, and everything of that kind. But in their second report they have absolutely reduced their 10 per cent. to 7½ per cent. Knowing nothing about the details of the country, except that for hundreds of miles there is absolutely no water, and knowing that in constructing a railway through an uninhabited desert of that sort we should have to contend with diseases, to pay exceedingly high wages, and should have no end of trouble to engage labour at all, the engineers absolutely reduce the ordinary 10 per cent. down to 7½ per cent. When a railway is being built through the populous parts of Queensland or Victoria the engineers put down 10 per cent. to cover contingencies, but when you are building a railway through an uninhabited desert the engineers, in order to make the thing more feasible, actually reduce the amount by 2½ per cent. The whole thing is simply disgraceful, and how any one can bring himself on such information to support a proposal of the kind surpasses my comprehension.

Senator MCGREGOR.—It is no wonder that Tasmania lags behind, when she has such politicians as the honorable and learned senator.

Senator DOBSON.—Tasmania is doing very well, although, like all the other States, she has borrowed too much money. We are told that the crab progresses backward. Many of the Australian States have been going backward lately. I should like to see them go forward cautiously, and on sound lines.

Senator PEARCE.—It is no wonder that the youths and the young men have left Tasmania to go to Western Australia.

Senator DOBSON.—I am surprised at a statement like that being made. If my

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honorable friend Senator Pearce would examine the census returns for the different States, he would find that there are 7,000 youths in Western Australia, and 29,000 youths between fifteen and twenty years of age in Tasmania. A very great part of the prosperity of Western Australia depends upon its gold mines. The richness of those mines has attracted the manhood of the other States. The permanence of the settlement there depends entirely upon the gold mines. When I was in Western Australia some time ago I was pleased to notice that of the thirty-one men in the charming band which we heard playing in the gardens, eleven came from Tasmania. Even the bandmaster was a Tasmanian I was astonished at an argument used a little while ago, by my honorable friend Sir John Forrest, with regard to the amount of money sent over to the other States by Western Australian miners. He spoke of £2,000,000 per annum being sent to wives and children living in the other States, and he based upon that fact the argument that Western Australia was, to a large extent, supporting the other States, especially Victoria. But that money represents the wages earned by the sweat of the brow of our own people. That is a sample of the arguments with which the case for this railway is bolstered up. Now I wish to make another point. I hold in my hand the diary written by Sir John Forrest when he was a very young, energetic, and splendid fellow.

Senator WALKER.—As he still is.

Senator DOBSON.—Yes; but he is very misguided on this point. Let me read a few extracts from this very interesting book. Sir John Forrest says at one part of his narrative—

On the 3rd, went on a flying trip to the North-east, returning on the 4th along the cliffs and Point Culver. I found the country entirely destitute of permanent water, but, after leaving the coast for a few miles, to be in places, beautifully grassed. On the coast near the cliffs, it was very rocky, and there was neither feed nor water. Finding there was no chance of permanent water being found, that the only water in the country was in small rocky holes—and those very scarce indeed—and the feed being very bad at Point Culver, I determined, after every mature consideration, to attempt at all hazards to reach the water shown on Mr. Eyre's track.

In another part of his book, he refers to the absence of good grass, and says—

There is nothing in the settled portions of Western Australia equal to it, either in extent or quality; but the absence of permanent water is the great drawback, and I do not think water would be procured by sinking, except at great depths, as the country is at least 300 feet above the sea, and there is nothing to indicate water being within an easy depth from the surface. The country is very level, with scarcely any undulation, and becomes clearer as you proceed northward. Since leaving Cape Arid I have not seen a gully or water-course of any description for a distance of 400 miles. . . . Very little game exists along the route; a few kangaroos were seen, but no emus—an almost certain sign, I believe, of the scarcity of water.

Senator O'KEEFE.—That was before Sir John Forrest was an advocate of this railway.

Senator DOBSON.—Of course it was. In another part of the volume, he says—

July 8th.—Started, in company with my brother and Billy, having three riding horses and a pack-horse, to penetrate the country to the northward . . . did not meet with a drop of water on our way, and, having brought none, we had to do without it.

At another stage of his journey, he wished to ascertain something about the interior of the country. He therefore went inland 50 miles from Eucla, and this is how he describes his journey—

On the 8th July, started on a flying trip north from Eucla, with fourteen days' provisions, but was unable to penetrate more than thirty miles. . . . On acount of the scarcity of water, not meeting with a drop of water on the whole journey, returned to Eucla on the 9th, and as summer had apparently set in, and there appeared no likelihood of rain, I decided to at once start for Fowler's Bay and Adelaide.

The journey could not be continued because the party could not get enough water to drink.

Senator WALKER.—In what year was that?

Senator DOBSON.—In 1870. Sir John Forrest goes on—

On the 14th we started, carrying with us about thirty gallons of water. After great privation to our horses, and not meeting with a drop of water for 135 miles by travelling day and night, we reached the head of the Bight on the evening of the 17th July, and found abundance of water by digging in the sand hills. Our horses had been ninety hours without a drop of water, and many of us were very weary from long marching without sleep. Many of the horses could scarcely walk, and a few were delirious; they, however, all managed to carry their loads. They have not, however, yet revived, but, with a few days' rest, I hope to see them well again. There being very little feed at the head of the Bight, we continued our journey.

I should like to know what genius from heaven could estimate the cost of a survey over a tract of country where water is not to be found for 400 miles at a stretch.

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Senator PEARCE.—Did the honorable senator ever know of an exploring party who took a boring plant with them? They would have to depend upon surface water.

Senator DOBSON.—I am showing that as a matter of fact, upon Sir John Forrest's own testimony, for 400 miles the party could not obtain water of any description. An enormous amount of boring plant would be required to obtain water in this country. And yet, because I oppose this railway, I am told that I am a fraud, and that I am making Federation a fraud. In another place Sir John Forrest says—

Left Israelite Bay on 30th May, and reached the waters shown on Mr. Eyre's track, in longitude 126 deg. 24 minutes east, on 14th June, depending wholly on rock water holes during the journey. Here we recruited, and made a trip inland for fifty miles, finding the country to be very clear and well grassed, but entirely destitute of permanent water.

Senator PEARCE.—Did the honorable and learned senator expect that Sir John Forrest found cemented tanks?

Senator DOBSON.—I did not; but Senator Pearce ought to admit that this is a most waterless country.

Senator PEARCE.—On the surface, yes.

Senator DOBSON.—Bores have been made, in one instance, to a depth of 400 feet, and in another instance to a depth of 2,000 feet, and in neither of which water was found.

Senator PEARCE.—Water has been found wherever a bore has been put down.

Senator DOBSON.—Yes, water of a brackish and salt description; and I could read pages describing how the explorers came across salt lakes in the sand. The diary proceeds—

After despatching the coaster on her return to Swan River, attempted to get inland north of Eucla; but owing to the scarcity of water, and the dryness of the season, was unable to get more than thirty miles inland. I therefore concluded to continue the journey towards Adelaide, and, accordingly, left Eucla on 14th July, reaching the Head of the Great Australian Bight on the evening of the 17th, after a very hard and fatiguing journey without a drop of water for our horses for ninety hours, in which we travelled 138 miles.

. . . .

On our route we passed over many millions of acres of grassy country, but I am sorry to say, I believe entirely destitute of permanent water.

What has the Commonwealth Parliament to do with finding permanent water in Western Australia? This tract of country is entirely wanting in water, and to a great extent in timber; and Sir John Forrest states that he does not think there are any minerals more than 250 miles east of Kalgoorlie.

Senator Sir WILLIAM ZEAL.—And no settlement along the whole of the 1,110 miles.

Senator STANIFORTH SMITH.—Yes, there is.

Senator DOBSON.—I have had mentioned to me the names of six or seven men, or companies, who have tried to utilize some of this country for pastoral purposes. One family lost, I believe, over £100,000; another family lost £40,000, while two other individuals, or companies, lost £40,000 and £7,000, and one man became insolvent. I have further had the advantage of a chat with a gentleman who was intimate with Captain Howard, of one of the surveying vessels engaged in the Australian Bight, and his evidence was that on the coast there may be six or seven inches of rain per annum, and that the further one goes inland, the less rain there is. Sir John Forrest tried to go fifty miles north, and the gentleman to whom I have referred, informed me that even at a distance of eight or nine miles from the coast, if he kicked a mallee bush, the whole of the leaves tumbled off, so devoid were they of moisture.

Senator PULSFORD.—Why should there not be a drought there as well as in other parts of Australia?

Senator DOBSON.—That question suggests a very alarming prospect. We all know what a drought is in Queensland, New South Wales, Riverina, and other places where we have rivers, permanent springs, and modern tanks, and other improvements made during the last forty or fifty years. If millions of sheep and stock are lost in the eastern States under such circumstances, what would be the loss to a man who ventured to enter into pastoral pursuits in the country proposed to be traversed by this railway? It would require only one bad season to sweep the land of all living things.

Senator FRASER.—In the first place, stock could not be got to this land, owing to want of water.

Senator DOBSON.—I can quite believe that. Mr. C. Y. O'Connor, Engineer-in-Chief of the Western Australian Railways, states in his report on the proposed railway—

In an undertaking of this magnitude, traversing 1,100 miles of country, which is mostly uninhabited, and uncultivated, and waterless, although

there are no engineering difficulties to contend with, there is necessarily a good deal of uncertainty as to its probable cost, a large element in the matter being the difficulty of supplying water to the men and animals and machines employed on the construction works, and in carrying forward the requisite materials, including rails and fastenings and sleepers for the permanent-way, and timber and iron work and cement, &c., &c., for the various structures required.

It will be seen from this, that the finding and supplying of water is, so to speak, a condition precedent to the whole scheme. If horses and other animals cannot live in such country, and human beings find it difficult to find any sustenance, how can we talk of making a survey, much less of constructing a railway in such country? Mr. O'Connor goes on to say—

During its construction very considerable benefit would accrue to several of the States of the Commonwealth, and more especially to Western Australia and South Australia, through the supply of various materials required for construction works, and also food for the men engaged, including increase in revenue of railways by carriage of same over local lines.

. . . .

There may also possibly be settlement along the railway, not alone in connexion with mining, but also in the nature of pastoral pursuits, but I have not estimated anything for that, as there is no data to go on.

Here we have a man who has the candour to state, in the face of all the talk about pastoral pursuits and opening up the land, that he does not consider himself justified in giving any estimate whatever in the absence of data. I wish there was time to continue the debate, and deal with the Bill on its merits, because I am sure the measure would be defeated. Can any one instance a railway in the world, on all fours with that proposed between Western Australia and South Australia? The line starts at Port Augusta, where there is practically little population, and traverses waterless, unsettled country to Kalgoorlie, 380 miles from Perth, which is comparatively a small city. I asked an engineer to mention a similar railway anywhere else, and to my surprise, he instanced the Canadian Pacific Railway. He told me a fact worth remembering, however, namely, that in order to induce a company to build that railway, the Government handed over 25,000,000 acres of land as a start. But the settlement along that line is enormous —such as never could take place by means of a railway through waterless country. When I asked for a parallel case during the discussion, some one suggested the railway to California, but I happen to know something about railways in that country. When I arrived in the United States, it was in the depth of winter, and instead of going across the continent, I travelled a distance of 4,500 or 5,000 miles in order to find a warmer climate. I passed through the Texan desert for 200 miles, and I never want to pass through such country again. The population consists of a few natives, who sell bows and arrows, in the making of which string from an English store is used; and I was twice stuck up. The line, which also traversed some mountainous country, was practically insolvent. In the report by Mr. John Muir, inspector of engineering surveys, Western Australia, we find the following:—

I am quite satisfied that the country we had been exploring is almost, if not quite, waterless. The natives evidently obtain their water supply from the mallee and other roots, numerous heaps of which are to be seen lying about; and a blackfellow will not, I believe, have recourse to those roots if he can obtain water in anything like a reasonable distance. . . . On my arrival at the main camp (then situated in latitude 31 deg. 11 minutes south, longitude 120 deg. 1 minute east) Babington, who had been out looking for water during my absence, reported that no water was to be obtained to the east, and our position at this stage was—no water to the north, south, or east. We had, therefore, either to retrace our steps or make for Eyre, 150 miles or so to the south-east. . . . With all despatch we then pushed on to Eyre, reaching there on the afternoon of the 3rd July, and found, greatly to my relief, that the main party had arrived on the previous evening, its members all well and hearty. The camels had answered the call made upon them splendidly, and, although they had done a trip of nine days without water, on salt feed, there had been no signs of knocking up.

Throughout the reports we find similar evidence, horses and camels being in a state of semi-starvation for want of food and water. In another place, Mr. Muir reports, the grass was two years old, showing that there had been no rain for a considerable length of time. We are told that seven inches of rain may be depended on along the coast, but no man can say that there are four inches inland. Before we are asked to entertain the idea of a railway survey, the Western Australian and South Australian Governments ought not only to send out exploring parties, but to establish stations, equipped with rain gauges, so as to obtain important information in this connexion. With regard to the country a little further north, I should like to read another extract from Sir John Forrest's diary:—

It is a marvel to me how we got through at all. . . . The country is most wretched. When the sterility of the country is considered,

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it will be readily seen what a disadvantage one labours under without camels. . . . It is 140 miles to the nearest Adelaide station. Not a drop of water. Country to the south seemed most uninviting. Near to Eucla, sand hills, as far as could be seen, covered with spinifex. A spinifex desert; spinifex everywhere. We had one wurrung, four chockalocks, and three emu eggs for tea, so we fared sumptuously.

I understood Senator Pearce to say yesterday that there were no sand hills on the line of proposed railway, but I think I could point to three or four different places at which, according to the evidence, sand hills are to be found. I have seen one of the engineers, who was engaged in making one of the reports, and he admits that there are sand hills, which had to be faced with clay or cement to prevent the sand falling down and hiding the surveying line. I should like now to ask honorable senators to consider what is paid by the railways between Melbourne and Sydney, Melbourne and Adelaide, and Hobart and Launceston. In view of the very small percentage which some of these lines pay, I ask how they can think it possible that the proposed 1,100 miles of railway will pay. In Tasmania the railway connecting Hobart and Launceston, did not pay one-half per cent. for years. In 1896 it paid ·87 per cent., in 1897 ·96, in 1898 ·98, in 1899 1·26, in 1900 1·92, and it is now paying 2·77 per cent. This is the highway which connects Hobart and Tasmania with the rest of the world, and the traffic on which is very considerable. If we take the railway between Melbourne and Sydney, I gather from what I have read in *Hansard* that it pays a little more than interest on cost of construction. It pays possibly from 4 to 4½ per cent., but along the whole of that line there are farms, population, and produce. We all know the enormous number of persons who travel by it every day, and the enormous tonnage of goods carried over that line by every train running on it. We cannot possibly compare such a railway as that with the proposed Transcontinental Railway.

Senator GRAY.—We do not know what the latter will be like.

Senator DOBSON.—We do know that the whole of the country along its 1,100 miles of length is unsettled, and can never be settled until the difficulty of finding water is overcome. I should like to know what our honorable friends from South Australia propose to do about the jetty at Eucla, and the railway which is to connect that port with the proposed transcontinental line? Are we, as a Commonwealth, to improve their jetty, and their port, and lay down this branch railway for them? All these things should be considered in the Bill. Legislation dealing with a matter of this sort should not be passed in three or four sections. I should like to know what arrangements have been made with respect to running powers. When this line reaches Kalgoorlie it joins a length of railway running 380 miles to Perth. I am reminded that some most amusing things occurred in another place. The Prime Minister said that if the Bill passed there was no doubt whatever that as those two States would be only too glad to have the help of the Commonwealth in building the line, they would be very glad to treat us liberally and give us what we require. Another honorable member expressed the hope that we would get what we require. Another expressed the fear that we ought in the Bill—as of course we ought—to insist that fifty miles of land on each side of the route should be held in trust as an indemnity against loss. Another honorable member asked that Western Australia should be prepared to pay the greater part of this survey fee. Sir John Forrest, or some other representative of Western Australia, said that if that State were asked to pay the £20,000, he did not think there would be any difficulty in inducing the State to pay that sum. That is taking a reasonable view of the matter. Western Australia should not pay the £20,000, but it should be divided between Western Australia and South Australia. They are prepared, after all the explorations and inspections have been made, and it is shown to be a really feasible scheme to treat it as a Federal matter. If they desire that it should be dealt with as a Federal matter, they should propose terms which are just and fair. In a matter of this kind, when they are to gain such enormous advantage, the obligation rests upon them to pay a share of the cost of the line, and undertake responsibility for the enormous loss involved in proportion to the advantages which each will derive. Will Senator Pearce contend that that is an unfair proposal? If this is to be made a Federal scheme, there must be provision for contributions in proportion to advantage gained. We have never had a single suggestion to show that these States are prepared to do the fair thing. I believe that they are, but it ought

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to be provided for in the Bill. It is not, and that only shows that the matter is being proceeded with before we are ready. It is being proceeded with in a slip-shod manner, and without sufficient information, and when expert engineers are asked for information, they are compelled to make a second report before the information asked for is obtained. I should like to direct the attention of honorable senators to the fact that in a short time we shall have to consider the book-keeping system, and the way in which surplus revenue is to be returned to the various States. I point out that the financial position of Tasmania is very unsatisfactory. We have been deprived, by the Federal Tariff, of revenue to the extent of some £80,000 or £90,000 a year, and we can never be in a proper position unless in the exercise of the Federal spirit, we have one Commonwealth and one purse—one revenue, as we are one people. I point out that one-fourth of the Tasmanian Customs revenue amounts to £85,547. The expenses of the Commonwealth debited to Tasmania, and taken from this sum, amounts to £79,160.

Senator STANIFORTH SMITH.—I rise to a point of order. I ask whether the question of the cessation of the book-keeping period has anything to do with the proposed railway?

The PRESIDENT.—I cannot see that it has much to do with it.

Senator PEARCE.—It is only killing time.

The PRESIDENT.—Order. Senator Dobson is in possession of the Chair, and he is entitled to address the Chair so long as his remarks are relevant to the subject-matter under discussion. I confess that I do not see much relevancy in what the honorable and learned senator is now saying.

Senator DOBSON.—I consider that my remarks are entirely relevant. The balance of revenue left to us out of the one-fourth of our Customs revenue, after Commonwealth expenses have been provided for, amounts to £6,387. If we are called upon to pay our proportion of this survey fee, and of the inevitable loss which must be sustained, the whole of that balance will disappear, one-fourth of our Customs revenue will not be sufficient to meet Commonwealth expenditure, and we shall have to fall back upon State sources of revenue to meet Federal outlay. This, in my opinion, is a most important argument. and it follows naturally the argument which I used five minutes before to show that this scheme cannot be made a Federal scheme, and never will, I hope, unless it is based on the principle of comparative advantage. In view of the fact that the two States to which this railway will run will reap enormous advantages from it, whilst Tasmania will reap no direct advantage, to suggest that the people of Tasmania should be called upon to pay the same rate per head as the people of the States who will have the 1,100 miles of railway is preposterous and monstrous. I contend that the only way in which we can make this a Federal railway is to get rid of the book-keeping system, to have one people, one revenue, and everything conducted in the true Federal spirit. Do honorable senators suppose that we shall be prepared to treat this 1,100 miles of railway in a Federal spirit, if the revenue of the Commonwealth is not to be dealt with in the same spirit? I remind honorable senators also that Queensland has absolutely a deficiency of £97,000, inasmuch as, although the Commonwealth Government retain the whole of the one-fourth of her Customs revenue, it is short by £97,000 of the amount required to meet Commonwealth expenses in that State. These are all matters of the very greatest importance, and I am surely entitled to direct honorable senators to the financial aspect of this question. An estimate with respect to the water along this line has been put in by a gentleman named Palmer, and there are some four or five other estimates of the water. When Mr. Palmer gives his estimate of the cost of supplying locomotives with water, he puts in the words "exclusive of water." This is throwing dust in the eyes of the Federal Parliament. Is water obtainable in this country, with such an expenditure as will induce settlement and enable a thriving population to earn a living by producing butter and other produce, for the gold-fields of Kalgoorlie and other places in Western Australia? Mr. Muir, in his report says that the cost of constructing a railway from Kalgoorlie to Eucla direct, length 480 miles, would be £1,750,560. My honorable friends who support this proposal might just as well ask us to build a railway, and after bringing a number of labourers to the place say, "There are your estimates; everything will depend upon there being oxygen, so that the men employed to construct the line will be able to breathe and work."

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Senator STANIFORTH SMITH.—Is not the honorable and learned senator aware that since the publication of that report actual boring operations have proved that there is water in that country?

Senator DOBSON.—I have read the paper to which Senator Smith refers me. I find that three bores were put down, that salt water was found, and water fit for stock, but my honorable friends will not listen to the professional man, Senator Zeal, who tells them that locomotives require better water, and that if they are supplied with unsuitable water they will spew it out. It is impossible for us to consider this proposal until the difficulty of securing water is overcome. In another part of his report Mr. Muir, dealing with the water supply, says:—

> . . . . the one difficulty that exists is that of water supply.
>
> As will be seen by my general remarks, the proposed railway would traverse about 470 miles of country in this State which is, to all intents and purposes, waterless.

Senator GRAY.—They can carry water for that distance.

Senator DOBSON.—They can carry water at a cost of £1,200 per mile from the end of the Kalgoorlie system.

Senator GRAY.—The honorable and learned senator may tell that to the marines.

Senator DOBSON.—I give the honorable senator the engineer's estimate, and that is what we have to go upon. The proposal is to bring water from the end of the existing Western Australian system in pipes, and the cost is estimated at £1,200 per mile. The report to which I refer proceeds:—

> Of this length, for the first 100 miles, water can be conserved in tanks, using the granite and ironstone ridges in the localities as a means of catchment, but for the remaining 375 miles, in the limestone country, the poor nature of the soil precludes any hope of being able to conserve surface supplies.

I ask Senator Smith to make a note of that. Therefore I am inclined to think that the articles in the *Age* on this desert railway are much truer and fairer comments on the facts than the objectionable epithets which have been hurled at our heads simply because we decline, under the guise of showing a Federal spirit, to do a gross wrong to our own States, and give these gentlemen 1,100 miles of railway at the cost of the Commonwealth. The report goes on to say—

> Two ways of solving the difficulty suggest themselves to my mind. One, to carry the water from a reliable source by means of pipes, and the other to obtain supplies at various points along the route by boring.
>
> With regard to the first suggestion, the country is fairly well adapted for the purpose, and, doubtless, on the completion of the Coolgardie water supply scheme water would be available from that source. The cost of this service would, however, entail the expenditure of a large sum of money. Taken at £1,500 per mile, for which I think it could be done, the outlay of nearly three-quarters of a million pounds would be necessary.

All through my remarks I have been quoting the cost at £1,200 per mile. I had forgotten that Mr. Muir, of Western Australia, had said that it would cost £1,500 per mile to take the water in pipes, from their own supply, along the desert railway.

> Concerning the second proposal, it would be necessary to put down bores at, say, distances of thirty miles apart, for 375 miles, or twelve bores in all, with an average depth of perhaps 2,000 feet, costing, say, £60,000.

May I ask Senator Smith if the Government of Western Australia have put down twelve bores to a depth of 2,000 feet, and run the risk of going into this waterless country? My honorable friends are not prepared to ask Western Australia to take that risk, but they are prepared to ask poor little Tasmania to help rich Western Australia to do it, when a month's revenue from their gold mines could buy up almost the whole of my State. Yet that is called the Federal spirit. Here is a further statement from the report:—

> Of course we have no warrant for concluding that we would be able to obtain artesian water supplies, nor is there any certainty that the water, if struck, would be fresh; but I am strongly inclined to think that water would be found if the effort were made, and it certainly would be wise to put down one test bore at a cost of £5,000 or so, before incurring the large expenditure which would be necessary if the first proposal were adopted.

Western Australia can better afford to find twelve times £5,000 than Tasmania can afford to find £1,000.

> Apart from the facilities that would be afforded to railway construction, and the maintenance of the railway service when completed, by artesian water being struck on this waterless tract of country, it would be of incalculable profit to the State in another direction.

The PRESIDENT. — The honorable senator will please take his seat.

ASSENT TO BILLS.

HIS EXCELLENCY THE GOVERNOR-GENERAL entered the Chamber, and, being seated, a message was forwarded to the House of Representatives

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intimating that His Excellency awaited the attendance of the members in the Senate chamber, who, being come with their Speaker,

THE CLERK OF THE PARLIAMENTS received from Mr. Speaker the Appropriation Bill.

HIS EXCELLENCY was pleased to notify to the CLERK OF THE PARLIAMENTS his assent to the following Bills:—

Appropriation Bill.
Conciliation and Arbitration Bill.
Sea Carriage of Goods Bill.

PROROGATION.

HIS EXCELLENCY was then pleased to deliver the following speech:—

GENTLEMEN:

I am sure you will regard with satisfaction the fact that I am now able to release you from further attendance upon your Parliamentary duties.

The extreme length of the session. and the small number of measures passed, are both, no doubt, largely owing to the changes of Ministry which have taken place.

You will be pleased to learn that a Conference is to take place in Hobart in February next, between the Government of the Commonwealth and the Governments of the several States. Friendly co-operation between the State and Federal Governments in matters of mutual concern is of vital importance to the Australian people.

I trust that the Conference will bring about a wise and amicable settlement of existing differences, and furnish a solution for some, at least, of the difficulties which prevent the Commonwealth from reaping in full measure the promised benefits of Federation.

It is the intention of My Advisers to bring prominently before the Conference the urgent necessity for a better representation of the Commonwealth and of the Australian States in the Mother Country, and for the diffusion of useful knowledge throughout the world concerning the resources of Australia, and the openings which exist for desirable streams of immigration.

GENTLEMEN OF THE HOUSE OF REPRESENTATIVES:

My Advisers are of opinion that the adoption of Standing Orders which, whilst recognising the right of every honorable member to the fullest expression of his views, will offer no opportunity for the obstruction of public business, is a matter of grave urgency.

My Advisers intend during the recess to take the steps authorized by law in order to submit early next Session proposals for the re-arrangement of the electorates. The Members of your Honorable House from New South Wales, Victoria, Queensland, and Western Australia still represent constituencies temporarily delimited before Federation by the State Parliaments, and the difference in the numbers of the electors in many of these electorates is so great that the provisions of the law are being seriously violated.

My Advisers will also devote special attention to the improvement of the electoral machinery.

GENTLEMEN OF THE SENATE AND OF THE HOUSE OF REPRESENTATIVES:

I thank you in the name of His Majesty for the supplies which you have granted.

The Conciliation and Arbitration Bill which you have passed represents protracted legislative labour, and has revealed strong differences of opinion upon one or two important matters. I trust that the Court now to be established will secure, upon a basis just to all the great interests concerned, the peaceful settlement of any industrial disputes that may unhappily arise and extend beyond the limits of a State.

The Bill passed this session for the selection of a Capital Site in New South Wales is now being considered by the Parliament of that State. I feel sure that the matters not yet settled will be dealt with in a conciliatory spirit on both sides.

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The position of shippers of Australian produce has made it necessary to pass as an urgent measure a Bill restraining shipowners from contracting themselves out of their lawful obligations to take due care of goods in transit between the different States or to other countries.

The amendment of the law relating to Defence, of which you have approved, enables My Advisers to place this important Department upon a basis which should secure more thorough consideration of the problems of Military and Naval Defence, and more satisfactory methods of inspection and administration.

A Royal Commission to inquire into the working of the Customs Tariff, and its effect upon Australian industries, has been appointed. We may confidently hope that the labours of this Commission will be of value to Parliament and the Commonwealth.

I now declare this Parliament prorogued until Saturday, the twenty-first day of January next.

House of Representatives

Thursday, 15 December, 1904.

Mr. Speaker took the chair at 10.30 a.m., and read prayers.

ENGLISH MAIL SERVICES.

Mr. GLYNN.—It is stated in this morning's *Argus* that the Peninsular and Oriental Company contemplate dropping their Australian mail contracts, and that the Orient Company's vessels are in future not to make Largs Bay a place of call. Seeing that the misapplication of the White Australia policy in connexion with the administration of the Postal Department will involve an exceptional burden on South Australia, because, instead of being a day in advance, that State will be, if this arrangement is carried into effect, a day behind Melbourne in communications with England, while the expense to which she has gone in providing an outer harbor at Largs Bay will be useless, will the Government consider the advisability of either repealing the section of the Post and Telegraph Act, which is responsible for this extra expense, or providing that all the States shall share equally the additional cost of applying it?

Mr. SYDNEY SMITH.—There is a good deal of correspondence in the Department from Mr. Anderson, of the Orient Company, in reference to the White Australia provision in the Post and Telegraph Act.

Mr. McLean.—The White Ocean provision.

Mr. SYDNEY SMITH.—Yes. Mr. Anderson states that that provision has not caused the company to increase the price named in its tenders, because if lascars were employed on their boats, although their wages would be smaller than those of white men, twice as many men would have to be employed, and twice as much accommodation would have to be allotted to them.

Mr. Bruce Smith.—Did he say anything about their reliability?

Mr. SYDNEY SMITH.—I believe that he did, though I do not think that he dwelt at length on that subject. The Government, having taken the whole matter into consideration, are of opinion that they would not be justified in paying the large sum asked by the Orient Company for the performance of the service. Since 1888 the two companies named have been receiving £72,000 a year, and we are now asked to pay £150,000 a year, although the export trade of Australia in perishable produce and general goods has increased largely.

Mr. THOMAS.—Is it a fact that English letters could be delivered in Melbourne more quickly if the vessels of the Peninsular and Oriental and Orient companies, instead of landing their mails at Largs Bay, to be forwarded by train from Adelaide, brought them here direct?

Mr. Glynn.—The honorable member is thinking only of the convenience of Melbourne.

Mr. THOMAS.—I am thinking of the convenience of Victoria, New South Wales, and Queensland. I admit that such an arrangement would delay the delivery of English mails in Adelaide.

Mr. SYDNEY SMITH.—I shall be only too glad to make what arrangements I can to enable the vessels to continue to call at Largs Bay. In answer to the honorable member's question, I do not think there would be much difference.

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Mr. GLYNN.—In view of the fact that the Post and Telegraph Act does not touch the substance of the White Australia principle, and is being used merely as a pretext for forcing unfair charges on the Commonwealth, will the Postmaster-General see that, by repealing the provision, that pretext is removed?

Mr. SYDNEY SMITH.—The matter is one for the Government to determine; but I do not think that any action of that kind will be taken at the present time.

PUBLIC SERVANTS' INCREMENTS.

Mr. BROWN.—The Prime Minister stated the other night that authority had been given for the payment of increments accruing to public servants in receipt of less than £160 per annum. Is the Postmaster-General aware that a considerable number of officers in the general division in his Department have not yet been paid their increments? Will he endeavour to expedite the payments, so that they may receive their money before the end of the present month?

Mr. SYDNEY SMITH.—The matter was brought under my notice during the consideration of the Estimates, and I gave instructions that expedition should be used in the payment of these increments. I understand that a large number of officers in New South Wales have been paid, and I hope that those who have not yet received their increments will obtain them before the end of the year. The Department will do all it can to expedite the matter.

Mr. JOSEPH COOK.—I would point out to the Postmaster-General that the complaint which I have repeatedly made concerning the non-payment of officers in the clerical division has not yet been rectified, although the amounts should have been paid six months ago. Will the Postmaster-General promise—I know that, if he does, we can rely upon the promise being fulfilled—that the matter shall be rectified?

Mr. SYDNEY SMITH.—I cannot make any definite promise, because certain inquiries have to be made. The Public Service Act requires certificates from the Public Service Commissioner in these cases. I know, however, that that officer is as anxious as are honorable members that the men shall be paid before the end of the year. I shall send another reminder to him, and will do all I can to expedite the payments.

APPOINTMENT OF OFFICERS.

Mr. AUSTIN CHAPMAN.—In view of the fact that the Postmaster-General's Department has just appointed a detective to the Sydney Post Office from outside the service, and that in several other instances officers of the lower ranks have been debarred from promotion by similar appointments, does he propose to take the same course when permanently filling the position of Deputy Postmaster-General and other higher offices?

Mr. SYDNEY SMITH.—For some considerable time the Postal Department has employed a detective, with a view to meeting some of the difficulties which present themselves in connexion with the management of our various offices; but men will not be appointed from outside the service unless there are no suitable officers available within the service.

Mr. BROWN.—Can the Postmaster-General inform the House when the position of Deputy Postmaster-General at Sydney, and various inspectorships which are now occupied by temporary officers, will be permanently filled?

Mr. SYDNEY SMITH.—If the honorable member would give notice of his question, there would be ample time for me to frame a reply before our next meeting: but in view of the courteous way in which he asks these questions, I have no hesitation in replying that the question of filling permanently the position of Deputy Postmaster-General in Sydney will be dealt with by the Public Service Commissioner as soon as possible. It was decided by the Attorney-General that it is a matter for Parliament, and not for the Public Service Commissioner, to fix the salaries of the Deputy Postmasters-General, and, therefore, this matter has been deferred until Parliament could deal with the Estimates. Now that the Appropriation Bill has been passed, there will be no further delay.

BOTTLING OF BULK SPIRITS.

Mr. HUTCHISON.—I wish to know from the Minister of Trade and Customs if the Government have taken into consideration the suggestion which I made some time ago, that all imported bulk spirits should be bottled in bond, and the fact certified to on their labels, so as to protect the revenue, and prevent cheap and adulterated spirits from being sold as imported case whisky.

Mr. McLEAN.—My honorable friend mentioned the matter to me, but I have not yet had an opportunity to deal with it.

ENGLISH MAIL CONTRACT.

Mr. KNOX.—I desire to ask the Postmaster-General a question with reference to the oversea mail contract. The Minister must be aware that grave anxiety prevails throughout mercantile circles upon this question, and I would ask him to give us an assurance that he will keep the public advised as to the steps he is taking to arrive at some satisfactory conclusion. The matter is one of very serious consequence to the whole community?

Mr. SYDNEY SMITH.—I think that my honorable friend agrees with the view which the Government take as to the excessive amount of the subsidy asked for by the Orient Steamship Company. He has already communicated with the Department officially to that effect, and therefore thoroughly realizes the difficult position in which we are placed. This matter has been receiving the attention of the Government for some considerable time past, and I have already convened a conference of the Deputy Postmasters-General, which will meet to-day with a view to looking into the question, and seeing how we can best overcome the difficulty that has arisen through no fault of our own, but owing to the very large amount asked for by the only tenderer for the mail service.

Mr. THOMAS.—I would ask the Prime Minister whether, in view of the attempt now being made by the Peninsular and Oriental and Orient Steam Navigation Companies to coerce the Commonwealth into the payment of heavy mail subsidies, he will consider the advisability of appointing a Royal Commission, quite outside of Parliament, to inquire as to the advisability of the Commonwealth Government acquiring a fleet of steamers for the purpose of carrying on their own mail services?

Mr. REID.—I shall refer the matter to my honorable colleague, the Postmaster-General.

FOREIGN TENDERERS: EXEMPTION FROM DUTY.

Mr. FISHER.—As long ago as 8th November last, I asked the Postmaster-General:—

Is he yet in a position to inform this House whether it is correct, as stated by the honorable member for Wannon (Mr. Robinson), that successful tenderers not resident in Australia have not to pay Customs duties on goods used in carrying out their contracts, while duty is paid on the goods used in a like manner by Australian successful tenderers for Commonwealth contracts?

I have repeated this question again and again, and upon the last occasion the Postmaster-General said that he would lay the papers on the table of the House before the session closed. We have now reached the last day of the session, and as the matter is of some importance, and special attention has been directed to it by the Auditor-General, I think that honorable members should be furnished with information regarding it to-day.

Mr. SYDNEY SMITH.—I had practically prepared a reply to lay upon the table to-day, but it has not yet come to hand. I may inform the honorable member that as long ago as 1902 a question was raised whether duty should be paid upon goods imported by contractors for use by the Commonwealth Department. Under the Customs Tariff Act goods imported by and for the use of the Government of the Commonwealth are exempted from duty, and the question whether this provision applied to goods imported by contractors to the Government was referred to the then Attorney-General, the honorable and learned member for Ballarat. He expressed the opinion that it did not apply to the cases of goods imported by contractors; but it appears that the right honorable member for Adelaide, when occupying the position of Minister of Customs, arranged that under the special circumstances the duty should not be paid by the contractors. That practice was adhered to for some considerable time. Then the question arose in connexion with supplies imported for the Postal Department, and in January last instructions were issued that the duty should be charged to the contractors. The matter was re-opened, I think, in August last by the Customs Department, and it was referred to the late Prime Minister, who wrote a minute stating that in view of the fact that the payment of duties would increase the cost of the goods to the Department, the duty should not be charged, but should be debited to the Department.

Mr. WATSON.—I refused to alter the existing practice.

Mr. SYDNEY SMITH. — Exactly. Whilst I realized that the addition of the duty would increase the expense to the Department, I was anxious to follow a strictly legal course, and I referred the whole matter for the opinion of the present Attorney-General, who confirmed the view taken by the honorable and learned member for Ballarat, that it would be illegal to allow goods imported by contractors to the

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Government to escape the payment of duty. The Government accepted that decision, and they intend to insist upon the law being carried out.

REORGANIZATION OF ELECTORAL DEPARTMENT.

Mr. WATSON.—I desire to ask the Minister of Home Affairs whether he can inform the House as to the arrangements that are contemplated in connexion with the Electoral Department. I understand that it was agreed some time ago that the Chief Electoral Officer should retire at the end of this year, and I should like to know if that arrangement is to be carried out, and, generally, whether any alteration is to be made?

Mr. DUGALD THOMSON.—It has been pressed upon me that the reorganization of the Department is highly necessary, and that an opportunity in that direction will be afforded by the contemplated retirement of the Chief Electoral Officer, not at the end of this year, because I find that the agreement under which he occupies the position practically gives him a tenure to the end of May next, but at the expiry of that period. In the meantime, my attention will be directed to the reorganization of the Department, and the adoption of the best system of conducting it in the future.

BANKING AND INSURANCE LAWS.

Mr. BRUCE SMITH.—I wish to ask the Prime Minister whether the attention of the Government has yet been directed to the very important question of the assimilation of the laws relating to banking and insurance in the various States. Soon after the establishment of the Commonwealth it was pointed out by persons interested in insurance business, that the community were labouring under great disabilities in connexion with the assignment of policies, because of the great differences existing between the laws affecting insurance in the various States. I understand that something was done by the last Government towards collecting data, with a view to assimilating the measures now in existence, upon banking and insurance. I should like to know whether the Prime Minister intends, during the recess, to collect material from the best authorities, with a view to effecting that assimilation.

Mr. REID.—The Treasurer has had these important matters—certainly that of the banking laws—under his consideration for some time past. I quite agree with the honorable and learned member that it is of the greatest importance that we should, as soon as possible, assimilate the laws in operation in the different States by means of Commonwealth legislation. I think that it is a matter of very practical importance. I confess that lately I had overlooked it, and I am glad that the honorable and learned member has again brought it under the attention of the Government.

Mr. BRUCE SMITH.—Will the Minister, during recess, take steps to collect the necessary material?

Mr. REID.—Certainly.

Mr. BRUCE SMITH.—Following up my first question, I desire to ask whether, in view of the very great importance and far-reaching consequences of legislation upon those two important branches of commerce, insurance and banking, the Prime Minister will consider the advisability of appointing a Royal Commission, consisting of persons quite outside Parliament, and interested directly in the businesses referred to, to take evidence upon the subject with a view to affording a guide in the drafting of the necessary measures.

Mr REID.—I really feel that we must endeavour to adopt some other means of dealing with the matter.

Mr. BRUCE SMITH.—I do not know how the Government will otherwise be able to obtain the necessary information.

Mr. REID.—I think it is highly probable that the great institutions interested in these matters will be only too ready to afford us the fullest information.

Mr. BRUCE SMITH.—It will be necessary to consult the general public too.

Mr. REID.—I shall meet the wishes of the honorable and learned member in every way I can, but I think we shall have to put a stop to the appointment of Royal Commissions. A very expensive Commission—the Tariff Commission—will shortly begin its work.

Mr. BRUCE SMITH.—It would not be necessary to pay the members of the Commission referred to.

Mr. REID.—Somehow, these Commissions cost money, and I am afraid I cannot hold out any hope that a Royal Commission will be appointed to consider the matters referred to.

IMMIGRATION RESTRICTION ACT: PARLIAMENTARY PAPERS.

Mr. McDONALD.—In view of the prospect of our entering upon a long recess, I

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desire to ask the Prime Minister whether he will cause to be sent to members the reports furnished by the officers administering the Immigration Restriction Act, with reference to the number of coloured aliens admitted into the Commonwealth either as residents or merely as tourists? I understand that the returns required under the Act will be laid upon the table when Parliament meets, but as they are really due in January next, I would ask that they should be forwarded to honorable members as soon as possible after they are received by the Department.

Mr. REID.—I shall certainly be glad to comply with the request. I think that I might take advantage of this opportunity to ask honorable members informally for an expression of opinion upon the subject of the publication of papers. As honorable members know, there is a Parliamentary tradition that documents that are to be laid upon the table shall not be published until they have been placed before Parliament.

Mr. FISHER.—They always are.

Mr. REID.—I think that the Government will pursue a course which will meet with the approval of honorable members if, during the recess, they make public any reports of special interest and importance which, in the ordinary course, would be laid upon the table before publication. I may add that, even during the recess, Ministers will answer questions without notice, if honorable members will address communications to them upon matters in which they are interested, just as faithfully as if they were on the gridiron every day.

PRIVATE MEMBERS' BUSINESS.

Mr. MALONEY.—In view of the number of important motions—many of which have been very fully discussed—which are still on the business paper, I desire to ask the Prime Minister whether he could appoint some hour this afternoon, say 2 o'clock, at which divisions could be taken, without discussion, upon some of the more important matters.

Mr. REID. — During the rest of the morning I shall take the matter into consideration. There are one or two short notices upon the paper, one having reference to the Japanese, and the other standing in the name of the honorable member for Darwin, which might possibly be taken. I have every sympathy with the honorable member.

TEMPORARY STANDING ORDERS: LAPSED BILLS.

Mr. REID (East Sydney—Minister of External Affairs).—I move—

That, until permanent Standing Orders be adopted, the following be temporary Standing Orders of this House:—

214A. If, in any session the proceedings on any Bill shall have been interrupted by the prorogation of Parliament, the House may, in the next succeeding session, by resolution, order such proceedings to be resumed at the stage to which the Bill had been advanced in the previous session, provided a periodical election for the House has not taken place between such two sessions.

214B. Any such Bill may be sent to the Senate as if it had been produced and passed by the House in the second session.

I may explain that a similar standing order is in force in some of the State Parliaments, and also in the Senate. Obviously it is a very useful one. Its object is to prevent the necessity for honorable members doing a second time the whole of the work in connexion with the preliminary stages of any Bill.

Mr. FISHER (Wide Bay).—I have heard this matter discussed in other Parliaments, and I have come to the conclusion that the adoption of such a standing order is not desirable. Of course, the proviso contained in the motion in regard to the intervention of a general election is intended to safeguard the representative character of Parliament. But, unfortunately, it is possible that circumstances may arise during a recess which would alter the *personnel* of the Legislature, and it is easy to conceive that the new Parliament would have its hands tied in regard to a Bill which might have been carried in the preceding session by a majority of only one or two votes, and despite the fact that the consensus of opinion upon it may be entirely changed. That, I claim, would affect the representative character of the Legislature. Moreover, the motion assumes that honorable members never become wiser, and that even after a long recess they entertain the belief that no improvement can be suggested in any measure with which they have previously dealt.

Mr. JOSEPH COOK.—No.

Mr. FISHER.—Then what does it mean? Surely the advantages to be gained from it are not such as to justify the adoption of a standing order of this character, especially upon the last day of the session.

Mr. BRUCE SMITH.—A similar standing order has been in operation in New South

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Wales for many years, and no objection has ever been taken to it.

Mr. FISHER.—I should be sorry to discount in any way a rule which prevails in the New South Wales Parliament, but I should be equally reluctant to accept that body as a legislative model. Other Parliaments, in the absence of a provision of this kind, have transacted their business quite as successfully as have the Legislatures of New South Wales and Victoria. If no change had occurred in the *personnel* of Parliament during a recess I should not entertain such a strong objection to the motion, even though I do not think that it can be commended to favorable consideration from a democratic stand-point.

Mr. SALMON (Laanecoorie).—I would point out to the honorable member for Wide Bay that a similar standing order has been in force in the Victorian Parliament for some years, and that it has been found to work admirably. I do not think that any great weight attaches to his argument regarding a possible alteration in the *personnel* of the House between sessions, because, under the circumstances suggested by the honorable member, it would be impossible to carry the necessary resolution to give effect to the standing order.

Mr. FISHER.—What is the objection to giving effect to it after a general election?

Mr. SALMON.—The proposed standing order is intended for the convenience of Parliament. One of its advantages would be that it would afford private members a better opportunity of getting any business in which they may be specially interested dealt with.

Mr. MCLEAN.—In the Victorian Parliament a very important measure, the Tramways Act, was passed, as the result of the operation of a similar standing order.

Mr. SALMON. — Yes. The honorable and learned member for Parkes has assured us that for some years this standing order has worked successfully in New South Wales. Consequently I appeal to those who desire that private members shall be afforded an opportunity to carry to a conclusion useful legislation to agree to this motion.

Mr. MALONEY (Melbourne).—I intend to support the proposal of the Prime Minister. In the Victorian Legislature this standing order has tended to diminish the "slaughter of the innocents" at the close of each session. The honorable member for Wide Bay has asked why it should not apply after a general election? My reply is because a new Parliament would then have been constituted. I claim that after a Bill has been advanced to a certain stage, it is the acme of absurdity to suggest that we should perform the whole of our work again. No public company which conducted its business upon similar lines could successfully carry on operations. Some of the most democratic measures have been placed upon the Victorian Statute-book as the result of the operation of this standing order. To a certain extent it has had the effect of removing the infamy against which the Labour Party in this State were always declaiming, namely, the loss of time occasioned in discussing measures which were ruthlessly slaughtered at the close of the session. I shall always vote to minimize that slaughter as much as possible.

Mr. ROBINSON (Wannon).—I think that a standing order of this kind is of such importance that it is scarcely fair to ask honorable members to agree to it upon the final day of the session.

Mr. JOSEPH COOK.—The same course has been followed in every other session.

Mr. ROBINSON.—If that be so, there is no reason why that fact should be regarded as a precedent. In my opinion Australia suffers from too much hasty legislation. It is in the highest degree desirable that the speed with which our laws are enacted should be lessened and not accelerated. I scarcely think that the analogy which was drawn by the honorable member for Laanecoorie was a very good one.

Mr. SALMON.—Does the honorable and learned member know of a single instance in which this standing order has worked badly?

Mr. ROBINSON. — I think that most legislation is bad. Its effect usually is to provide more work for the legal profession, and I do not regard that result as altogether a desirable one. In this House private members' business is practically minus quantity. In my judgment we have already devoted far too much time to the consideration of that class of business during the current session, and the adoption of the standing order proposed would probably lead to measures which ought to be submitted to the Government being introduced by private members. Our Standing Orders seem to require very considerable revision, if only with a view to prevent the exhaustive debate which has taken place during the past three or

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four months. But whilst I am prepared to assist in any general revision of the Standing Orders I am not willing to vote for their amendment upon the last day of the session.

Mr. MCLEAN.—The object of this proposal is to curtail debate—to prevent the duplication of discussion.

Mr. MCDONALD.—Very frequently its adoption does not lead to that result.

Mr. ROBINSON.—I would remind the Minister that very frequently it does not produce the desired result. Under this proposal, those who were opposed to any particular Bill would naturally take care to ventilate their views as fully upon the motion necessary to bring the standing order into operation as they would upon the measure itself. Speaking from memory, under the Standing Orders of the Victorian Parliament, it is impossible, by resolution, to advance a Bill beyond the second-reading stage. That means that a Bill considered in Committee during the previous session, must be taken through Committee once more, and I think it is a more sensible provision than the one which we are now asked to accept. I regard this motion with some apprehension. It proposes an important departure from the present practice, and I do not think that contentious matters of this kind should be introduced in the closing hours of the session. I am reminded that it is just a year ago to-day since we were all wondering what our fate would be at the polls. I think that we ought to refer the whole of the Standing Orders to the Standing Orders Committee, so that we may obtain a thoroughly up-to-date set, which, while preventing tedious repetition, would give honorable members every opportunity for free and open debate. At present I am opposed to the proposed Standing Orders.

Mr. THOMAS (Barrier).—I do not know that I am opposed to the principle which we are asked to affirm, but I certainly object to the passing of the motion at this stage. A matter of such importance should not be dealt with until we are called upon to consider the Standing Orders as a whole. The one great objection which I have, particularly at the present moment, to the passing of this motion, is that a number of honorable members discussed certain measures during the session, with the knowledge that under the present Standing Orders they would lapse with the prorogation of Parliament, and that we should commence their consideration *de novo* next session. I believe that the debate which took place on one particular measure was limited to a material extent because of that fact. We are now asked to pass a motion which would vary the existing practice, and which practically says that that measure, as well as two or three others, shall be taken up next session at the stage at which they were dropped. If the question be deferred until we are asked to deal with the Standing Orders next session, it is quite possible that I shall support the principle involved, but I think that it would be unwise and unjust to deal with the matter at the present time.

Mr. FRAZER (Kalgoorlie).—I entirely agree with the principle embodied in the motion. It is very desirable that we should have such Standing Orders so that a tedious repetition of debates on bills which have been considered this session, should not take place when we resume after the recess. It is inevitable that with the closing of the session, some Bills must go to the wall. We have had a rather unsatisfactory experience in dealing with certain matters under the provisional Standing Orders, for in several cases debates have been prolonged obviously with the object of preventing any decision upon the question at issue. The members of this or of any other Parliament should be prepared to accept the responsibility of voting on any question submitted to them. We all hope that there will be no change in the *personnel* of the House when we re-assemble. Our views on questions which have been discussed during the present session are not likely to undergo any material change during the recess, so that when we return we should be prepared to give a vote on measures that are taken up under these proposed Standing Orders, without debating them a second time. I think that the provision that proceedings in respect of any Bills which have been interrupted by the prorogation of Parliament shall be resumed at the stage to which they were advanced in the previous session only upon resolution of the House, will be a sufficient safeguard. If we find that we cannot reasonably stand by the opinions that we have expressed on a previous occasion, we shall be able to vote against the motion. Although holding these views, I must confess that, in my opinion, the Government should have made an effort to pass some of the measures on the notice-paper. The state of the business-paper to-

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day ought to force upon any reasonable Government the desirability of dealing with some of the measures that have been partly considered before we prorogue. We were assured a few days ago that certain Bills would be passed before the prorogation, and that every opportunity would be given to honorable members to deal with certain motions. It seems to me that the Appropriation Bill has been pushed through almost under false pretences. As soon as it had been passed by another place, we received an intimation that the Government intended to bring the session to a close, irrespective of any consideration for measures that had been partly dealt with. This motion will compel some of those who are opposed to it to come into the open. If the proposed new Standing Orders be agreed to, they will be compelled to express their opinions, as soon as the next session opens, on measures that have been partly considered; they will not be able to evade the responsibility of giving an open vote on measures which might otherwise be among the slaughtered innocents.

Mr. McDONALD.—Would these Standing Orders apply to the Kalgoorlie to Port Augusta Railway Survey Bill?

Mr. FRAZER.—Unfortunately, I believe that measure is not likely to be passed this session. But take the case of the Papua (British New Guinea) Bill. Certain amendments have been made by the Senate, and it is obvious that if we are not prepared to at once agree to them, we shall not be able to place that measure on the Statute-book during the present session. Some honorable members have been seeking to evade the responsibility of casting a vote on other matters of considerable importance, such as the preferential trade proposals and the Manufactures Encouragement Bill.

Mr. WATSON.—We have had a division on the Manufactures Encouragement Bill.

Mr. FRAZER.—There is also a notice of motion standing on the business-paper in the name of the Prime Minister with reference to a proposal that the Commonwealth shall contribute to the Queen Victoria Memorial Fund. It was stated in the public press that it was considered necessary that an expression of opinion on the part of the Parliament should be obtained in respect of that proposal.

Mr. SPEAKER.—I would remind the honorable member that the motion relates, not to resolutions, but to Bills, so that the matter which he is now discussing is beyond the scope of the debate.

Mr. FRAZER.—That is so, sir, but such a resolution, if passed, would have been followed by a Bill. I have only to say in conclusion that if these Standing Orders be adopted, they will assist us to finally dispose of various measures, and will compel honorable members to take the responsibility of voting on all questions submitted to the House. I hail the motion with satisfaction, and shall certainly vote for it.

Mr. McDONALD (Kennedy).—The honorable member is in error in thinking that the proposed Standing Orders would facilitate the business of the House to any material extent. For some three years it has been the desire of honorable members that permanent Standing Orders should be adopted, but, although the Standing Orders Committee went to considerable trouble in framing a draft set, no Government has yet seen fit to take the responsibility of moving their adoption. The provisional Standing Orders under which the business of the House is conducted are undoubtedly most unsatisfactory, but it would be most unwise for us to deal with the matter in this way. The Prime Minister should endeavour to pass the whole of the draft Standing Orders, including the two covered by this motion, as soon as we re-assemble. While I have no strong objection to these two Standing Orders, I would point out that they are not altogether what they seem. The honorable member for Kalgoorlie appears to think that they would do away with the repetition of second-reading speeches upon measures to which they applied, and would thus conserve the time of the House. That would not be the case.

Mr. FRAZER.—That is only the honorable member's opinion.

Mr. McDONALD.—It is a question, not of opinion, but of fact. If the honorable member turns to the different State *Hansards*, he will find that my assertion is correct. A second reading debate often takes place on the motion that the proceedings on a Bill be resumed at the stage to which it was advanced in the previous session. I might refer to many cases in which such a motion has been debated at greater length than was the original motion for the second reading of the Bill to which it related.

Mr. MALONEY.—That has not been the experience of the Victorian Parliament.

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Mr. McDONALD.—I cannot speak of the experience of the Legislature of this State, but I have correctly stated the position, so far as the South Australian Parliament is concerned.

Mr. KING O'MALLEY.—No.

Mr. POYNTON.—In the case of South Australia, the matter was dealt with by Act of Parliament.

Mr. McDONALD.—That is so. An attempt was made to deal with it in the same way in the Queensland Parliament, but without success. It would constitute an important change in the procedure of the House, and I think that we should not deal hastily with the question. The Government should take up the Standing Orders at the earliest possible date, and give the House an opportunity to deal with them. If we rush these Standing Orders through the House, it is quite possible that we may lay up a store of trouble for ourselves. I say, without fear of contradiction, that if a motion be submitted next session to restore the Manufactures Encouragement Bill to the notice-paper at the stage at which it at present stands, the debate upon it will be equally as long as that which has taken place on the motion for the second reading. Nearly one-third of the members of this House, at the beginning of this session, were new members, and they are never thoroughly acquainted with the forms of procedure, and the methods of obtaining information.

Mr. FRAZER.—The proposed new Standing Orders would not apply after a general election.

Mr. McDONALD.—That is so; but there are frequently new members. Besides, these Standing Orders will not necessarily save time, because there might be practically a second reading debate on the motion to restore business to the notice-paper. The proposed new Standing Orders, however, will deprive this House of the control which it would otherwise have over the business of Parliament. If they are passed, we can do nothing more in regard to the Kalgoorlie to Port Augusta Railway Survey Bill until it is returned to us by the Senate. I do not wish to occupy time unduly now, because there is an important motion on the business-paper, which I understand honorable members desire to discuss; but I think that it would be better to deal with this subject when considering permanent Standing Orders. It is not right to consider it at this stage of the session.

Mr. KING O'MALLEY (Darwin).—I consider the motion a wise and proper one, and I am heartily in favour of it. The honorable member for Kennedy says that there might be practically second-reading speeches on the motion to restore business to the notice-paper, but you, Mr. Speaker, will remember that when, in the South Australian House, I had the Testamentary Disposition of Property Bill re-instated, although there had been a tremendous debate in the previous session, it went through without opposition. An ounce of practice is worth 1,000 pounds of theory. The honorable and learned member for Wannon described the proposal as an innovation. I admit that it is, but innovations are the foundations of human progress.

Mr. ROBINSON.—I have heard that before.

Mr. KING O'MALLEY.—Exactly, but not from the honorable member for Wannon. I think that the Prime Minister is right in trying to prevent the repetition of second-reading speeches, when measures are brought forward again in a new session. Are honorable members so impressed with their intellectual importance and mental concentration, that they think it necessary to make second-reading speeches whenever a Bill is brought forward? I think it would be better, when a Bill has been debated in one session and comes up in the next, to run it through without talk.

Mr. JOHNSON.—That would be very rough on the honorable member for Gwydir.

Mr. KING O'MALLEY.—There is no question about that; but the House has a right to muzzle both the honorable member for Gwydir and the honorable member for Lang when they interfere with the progress of business. The honorable member for Wide Bay said that members might change their opinions between session and session. No doubt there may be changes during the next six months. After suffering twelve or fifteen months of starvation, some honorable members may die from the effect of relaxation during the recess. I was nevertheless astounded at the remarks of the honorable member for Wide Bay. Had my eyes been shut, I would have thought that I was listening to a real conservative, instead of to a democrat.

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Mr. McDONALD.—The honorable member has been muzzled during the greater part of this session.

Mr. KING O'MALLEY.—No; I have been a free-lance. I have had nothing to fight for. If my friends had stayed on the Treasury benches, I would have fought for them.

Mr. SPEAKER.—The honorable member must discuss the question.

Mr. KING O'MALLEY.—I hope that the motion will be carried. I am in favour of applying the proposed new Standing Orders to motions as well as to Bills, because I should like to get my old-age pension motion through.

Mr. McDONALD.—Then why not move an amendment to include motions.

Mr. KING O'MALLEY.—I will do so. I move—

That after the word "Bill," line 5, the words "or motion" be inserted.

Mr. POYNTON (Grey).—The bringing forward of this motion is further evidence of the demoralized state of this Parliament. To my mind, it is a motion to further political log-rolling. Proposed new temporary standing order No. 214B, which reads—

Any such Bill may be sent to the Senate as if it had been introduced and passed by the House in the second session,

has, in my opinion, been moved in order to confer a favour on a supporter of the Ministry. I take it that if a Bill were dealt with next session, and an attempt were made to resuscitate it in the third session, that attempt would fail, because the proposed Standing Orders would not apply. The Government appear to be too weak to resist the pressure put upon them by their supporters. In South Australia Bills were revived under the provisions of an Act of Parliament.

Mr. McDONALD.—The practice now proposed is not followed in the House of Commons.

Mr. POYNTON.—I do not know what their practice is, but in South Australia measures which have passed their second reading in one session can be revived in the next under the provisions of the Lapsed Bill Continuance Act, if, in the meantime, there has been no general election. In my opinion, this measure has been introduced to please the honorable member for Eden-Monaro, and to let him advance the Manufactures Encouragement Bill. This political log-rolling should not be allowed. I would point out that if the motion is agreed to, it will be impossible to prevent a very full discussion on the motion for resuscitation. I shall vote against the proposals of the Prime Minister, and divide the House upon them as a protest against the political log-rolling which has been practised this session.

Mr. McCAY (Corinella—Minister of Defence).—I ask the honorable member for Darwin not to press his amendment, because it is entirely useless. It might be thought that if a motion were debated very fully one session and restored to the business-paper at the beginning of the next session, the speeches previously made would not be repeated. I would point out, however, that the restoration has to be effected by resolution, and that any honorable member could say all that he desired upon the motion to restore the business to the notice-paper. Therefore, nothing would be gained by including motions in the Standing Orders. With Bills the position is very different. For instance, if a Bill were advanced to its third reading, and prorogation took place, it could be restored to the business-paper by resolution at the stage at which it was dropped in the previous session. Therefore, only one stage would have to be gone through, in order to bring the Bill back to the position in which it was previously left. This would result in a considerable saving of public time. One honorable member has referred to the motion being intended specially to meet the case of the Manufactures Encouragement Bill, but he is in error. A similar standing order is in force in all the State Parliaments.

Mr. McDONALD.—Only in three of them.

Mr. ROBINSON.—The House of Commons do not follow the practice proposed.

Mr. McCAY.—I do not know that the House of Commons presents a perfect model to us, so far as the saving of time is concerned. A similar standing order is in operation in three States Parliaments, and also in the Senate, and I think that from the point of view of saving the public time it is a most desirable one. It has never worked any harm.

Mr. McDONALD.—It has not done much good.

Mr. McCAY.—In Victoria it was first proposed to initiate the practice now contemplated by means of the Lapsed Bills Continuation Bill. That measure passed

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the Legislative Assembly, but was lost in the Legislative Council, and the Assembly then adopted a standing order similar in terms to that now under discussion. Whatever view honorable members may take of this matter, I would ask them to deal with it promptly for the reason that the next matter on the notice-paper is the Papua Bill, and as there are a number of amendments to be considered it is urgently necessary that at least a couple of hours should be available for the reprinting of the Bill before it is presented for the Royal assent.

Mr. FISHER.—Is it necessary to reprint it?

Mr. McCAY.—We must have a clean copy of some kind to present for the Royal assent.

Mr. ISAACS (Indi). — I support the proposal because I think that it is businesslike in character. In 1893 the Victorian Parliamentary Procedure Commission recommended among other things that a standing order similar to that now before us should be adopted. I suggest that the order might be made to apply to Bills that are received by this House from the Senate.

Mr. McCAY.—There is some doubt as to whether we could do that.

Mr. ISAACS.—There may be a difficulty. I quite agree with the remarks of the Minister with regard to the inclusion of motions within the proposed Standing Orders. There may be other difficulties in addition to those which have been pointed out. For instance, it might be impossible for the honorable member in charge of a motion to again speak upon it, and furnish honorable members with much desired information. That would, in many cases, prove detrimental.

Amendment, by leave, withdrawn.

Question resolved in the affirmative.

PAPUA (BRITISH NEW GUINEA) BILL.

In Committee (Consideration of Senate's amendments):

Clause 21—

No intoxicants or opium shall be allowed to be imported into, or manufactured or sold, or otherwise disposed of in the Territory except as hereinafter mentioned—

No intoxicants or opium shall be imported into or manufactured in the Territory except by written permission of a person duly authorized by the Lieutenant-Governor, and under regulations and conditions to be prescribed by the Lieutenant Governor, including a provision that such importation or manufacture shall be for medicinal purposes only, and no intoxicants or opium shall be sold or otherwise disposed of in the Territory except for medicinal purposes, and on the order of a medical practitioner or person duly authorized by the Lieutenant-Governor.

The penalty for contravention of this section is forfeiture of any goods illegally imported, manufactured, or sold, and a fine of not less than £5 or more than £100.

Every ordinance passed before the commencement of this Act providing for or permitting the importation, manufacture, sale, or disposal of intoxicants or opium in New Guinea is hereby repealed.

Senate's Amendment.—Leave out clause 21, and insert the following new clause in lieu thereof:

"Intoxicants may be purchased, imported into, manufactured and sold in the Territory only by the Lieutenant-Governor or by officers duly appointed in that behalf, and under regulations and conditions to be prescribed by the Lieutenant-Governor, relating to the purchase, importation, manufacture, and sale thereof.

"No person other than as provided in the immediately preceding paragraph shall import into, manufacture, or sell in the Territory any intoxicants.

"Penalty: £100.

"Intoxicants for the purposes of this section shall mean any wine, spirits, ale, beer, porter, cider, perry, or other spirituous or fermented liquor of an intoxicating nature."

Mr. McCAY (Corinella—Minister of Defence).—The clause, as it now stands, was inserted at the instance of the honorable member for Melbourne Ports when the Bill was previously before us, and was agreed to by a substantial majority. The clause absolutely forbids the importation or manufacture of intoxicants or opium, except by the Lieutenant-Governor, or persons duly authorized by him, and further provides that no intoxicants shall be supplied within the Territory, except upon the order of a medical practitioner, or some other person duly authorized. The Senate propose to omit that clause, and insert in lieu thereof a provision which is a substantial repetition of that now contained in the Bill, with the important exception that once the importation or manufacture of intoxicants is permitted, all restriction upon the disposal of the liquor, so far as white residents are concerned, will be removed. That is to say, it will be no longer necessary to sell the liquor solely for medicinal purposes. The difficulty is this: It is very desirable that we should have a Constitution for Papua. At present, legislation in regard to the Possession is at a standstill. Its affairs are in the transition stage. The administration can be carried on, but legislation is blocked.

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The alternatives before the Committee are, first, to insist upon the original clause, and to run the risk of losing the Bill, and, secondly, to suggest that the manufacture and sale of intoxicants shall be governed not by regulations, but by ordinance passed by the Executive Council in the Possession. If the traffic be regulated by ordinance, that provision, in conjunction with the clause which provides that ordinances relating to the sale of liquor to the natives shall be reserved for the assent of the Governor-General, will give the Executive Government of the Commonwealth full control of the matter. The third alternative is for the two Houses to abandon their respective positions, and to entirely omit from this Constitution any provision regarding the sale of intoxicants. As honorable members are aware, I entertain very strong views upon this matter. But, despite those strong convictions, I cannot fail to recognise the urgent necessity of granting a Constitution to New Guinea, in order that the development of the Possession may proceed. I trust that we shall arrive at some conclusion which will enable us to pass the Bill this session.

Mr. REID (East Sydney—Minister of External Affairs).—I must very strongly indorse the appeal which has been made by my honorable colleague in regard to this matter. If honorable members will glance at the preamble to the measure, I think they will understand the situation. This Parliament has already adopted two resolutions, affirming its readiness to take over the administration of New Guinea. But until this measure becomes law, it is impossible to do that. At present the government is carried on under Royal Letters Patent by an Administrator, representing not the Commonwealth, but the British Government. Thus, in a roundabout way, we are really exercising authority through the King's representative, who is in no way responsible to us. I repeat, we have passed two resolutions affirming our willingness to take over and govern the Territory. In consequence of those resolutions—as is recited in the preamble—the King, by Letters Patent, has provided that as soon as this Parliament enacts laws for the government of the Possession, a proclamation will be issued, under which its control will pass to the Commonwealth. We simply cannot allow the matter to remain in the present position. If honorable members cannot see their way to accept any compromise concerning the control of the liquor traffic, they might at least allow us to obtain a measure which will bring the authority of the Commonwealth into force in regard to the Possession. The question as to the restrictions which should surround the sale of intoxicants could be dealt with in a measure separate from this Bill. The ordinances now in operation in the Territory strictly prohibit the supply of intoxicants to the aborigines. Heavy penalties are provided for any offence in this direction, and I am assured that the law is being well administered. I would seriously appeal to honorable members to allow the Bill to pass, so that we may take over the government of the Possession. I need scarcely point out that the moment its administration passes to the authority of the Commonwealth, the whole of its government, and even its legislation, will be under the control of this Parliament.

Mr. WATSON.—Is the Prime Minister aware of the reason which has prompted the Senate to omit clauses 22 and 23 from the Bill?

Mr. REID.—I am not. I thoroughly respect the strong opinions which are entertained by honorable members with regard to the liquor traffic as it affects the natives of New Guinea. I do not ask them to sacrifice their principles to a greater extent than is fair, by way of compromise. If, however, they find it impossible to make any compromise, I appeal to them to eliminate the controversial element from the measure, in order that we may become responsible for the government of the Territory.

The CHAIRMAN.—Does the Prime Minister intend to submit a motion?

Mr. REID.—We are merely discussing the matter at present, and I apprehend that it is not necessary to submit a motion at this stage.

The CHAIRMAN.—I can assure the Prime Minister that it is necessary to do so. Possibly, he may be disposed to move "That the amendments of the Senate be now considered *seriatim.*"

Mr. REID.—I thought it was unnecessary to move any such motion, inasmuch as the House has resolved itself into Committee for the purpose of considering those amendments.

The CHAIRMAN.—The course which I suggest is necessary under our Standing Orders.

Mr. REID.—Then, I move—

That the amendments be considered *seriatim.*

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Mr. WATSON (Bland).—I trust that the remarks of the Prime Minister will carry some weight with honorable members. So far as I am able to ascertain, the whole development of New Guinea—even the interests of the natives themselves—will be seriously affected by the absence of legislation of this character. The officials there have nothing to guide them in the discharge of their public functions, in default of a declaration from this Parliament as to what are its intentions concerning the Territory. The land which already belongs to the Crown, and which in some instances has been purchased from the natives, cannot be utilized in any reasonable way until this Bill has been placed upon the Statute-book. In view of that fact, and also of the circumstance that no party considerations are involved in the measure, I trust that honorable members will see fit to forego at least some portion of their convictions, so as to bring about the desired result. Personally, I cannot see that those who constitute a majority of the Committee, and who have taken up a very decided attitude regarding the sale of intoxicants in the Possession, have anything to lose by agreeing to the Senate's amendment. I take it that their primary object is to safeguard the interests of the natives, and, surely, it cannot be urged that the position of the latter will be any worse than it is at present, if the supply of intoxicants be placed in the hands of a Government official. In my judgment, the reverse will be the case. I would further point out that if, as the result of insistence upon our own views, the Bill be lost or withdrawn, the control of the liquor traffic will continue in the hands of private individuals, at all events until legislation dealing with that matter has been enacted. I think that honorable members ought to be content either to effect a compromise in the direction of placing the control of the traffic in the hands of the Commonwealth, or to entirely drop the provision which is in dispute. Personally, I am at a loss to understand why the Senate proposes to eliminate clauses 22 and 23. It is true that there is a saving provision in each of those clauses, which would be superfluous in the light of the amendment which has been made by the other Chamber. I trust, however, that honorable members will recognise the urgent necessity which exists for passing some measure conferring a Constitution upon New Guinea.

Mr. LEE (Cowper).—I have carefully listened to the remarks both of the Prime Minister and of the leader of the Opposition in regard to this question. They have strongly urged that a constitution should be granted to British New Guinea without any further delay. The obstacle in the way of that being done appears to be a difference of opinion between the Senate and this Chamber. I fail to see why the members of the Committee should give way any more than should the members of another place. An important question of principle is involved, and upon matters of principle we cannot compromise. I do not think that any satisfactory argument has been advanced in support of the view that we should agree to the Senate's amendment. Honorable members should not forget that the principle of prohibition in relation to British New Guinea has been affirmed, not only by the present House of Representatives, but by the House of Representatives of the first Parliament. If the Ministry are anxious to secure the passing of the Bill they must take a decided stand on one side or the other. If a double dissolution takes place as the result of our opposition to the amendment of the Senate, the supporters of the new clause will be quite prepared to face the music.

Mr. SYDNEY SMITH.—Does the honorable member recommend that there should be a dissolution to settle the question?

Mr. LEE.—I should be quite prepared to go before the country upon this question. The supporters of the principle intend to stand by their guns.

Mr. BAMFORD.—The result will be that they will leave things as they are.

Mr. LEE.—The present ordinance is an excellent one, and if strictly administered, would be far better than the proposal which we are now asked to accept.

Mr. BAMFORD.—That is an argument against the honorable member's own case. What about the remainder of the Bill?

Mr. LEE.—All that I said was that the present ordinance is better than the system which the Senate propose. I believe, however, that prohibition would be the best of all, and the House would stultify itself if it gave way on the point. As a matter of fact the principle embodied in the amendment made by another place was fully discussed in this Chamber on an amendment submitted by the honorable member for Herbert, and was rejected by a majority of eight or ten votes. I am opposed to the State playing the

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role of publican. We know that the system has been tried in Western Australia by the opening of a State hotel at Gwalia, and that the people of that State were led to believe that it would be attended by excellent results. A member of the Western Australian Parliament recently submitted a motion in the State Legislature, asking for information in regard to the State hotel at Gwalia, and I take the following statement from the *West Australian*, of 24th November, 1904, showing the particulars which were subsequently submitted to Parliament:—

The following is the complete statement of accounts that was recently laid on the table of the Legislative Council, in compliance with a motion by Dr. Hackett:—

GWALIA STATE HOTEL.

Re Notice of Motion by Dr. Hackett:

I have the honour to forward herewith the information asked for, with the exception of that in paragraph 1. I explained in the answer the hotel was only opened in June, 1903, so the balance-sheet is made up from 3rd June, 1903, to 30th June, 1904.

H. S. KING, Secretary for Mines.

15th November, 1904.

RE STATE HOTEL, GWALIA.

Re Notice of Motion by Dr. J. W. Hackett:

(1) The balance-sheet of the Gwalia State Hotel up to the year ending 30th June, 1903.

Reply.—The Gwalia Hotel was only opened in June, 1903, consequently balance-sheet not prepared for the few days embraced in this request.

(2) The balance-sheet for the year ending 30th June, 1904, distinguishing between the receipts derived respectively from the bar and from the hotel proper.

Reply.—Balance-sheet and profit and loss account from opening of hotel (June, 1903) to 30th June, 1904, herewith, which supplies the information asked for.

(3) The amounts spent during these periods in salaries and wages, and in the general upkeep of the hotel.

Reply.—See profit and loss account and analysis and expenditure herewith.

(4) The tariff of rates charged for drinks, meals, and bedrooms.

Reply.—Single room, per day, board and lodging, 12s.; single room, per week, board and lodging, £3 3s.; double room, per week, board and lodging, £6 6s.; double room, per day, board and lodging, 24s.; board only, per week, £2 2s., being at the rate of 2s. per meal; single meal, 3s; single bed, 3s.

This is the result of State control. The State hotel at Gwalia is the only licensed house in the district.

Mr. WATSON.—But drinks are sold there at 1s. per glass.

Mr. LEE.—The report continues—

All drinks are retailed at 1s. per glass, excepting aerated waters and colonial ale, which are sold at 6d. per glass or pint.

STATE HOTEL, GWALIA.

Analysis of Expenditure.

		£	s.	d.
House account, expenditure as per profit and loss account ...		1,291	1	2
Wines, beers, &c., account, do. ...		4,369	15	3
Billiards, do. ...		161	19	4
Total expenditure ...		£5,822	15	9
Less stock in hand—				
Groceries ...	£49 14 11			
Wine, beers, &c. ...	369 11 1			
		£419	6	0
		£5,403	9	9
Made up as follows:—				
Sundries ...		49	7	8
Rates ...		29	5	0
Repairs ...		4	18	3
Wood and water ...		95	14	0
Fares ...		11	3	4
Freights and cartage ...		31	15	7
Stationery ...		4	7	9
Salaries and wages ...		1,364	4	8
Light ...		156	16	8
Licence ...		70	0	0
		£1,817	12	11
Stores purchased ...	£4,005 2 10			
Less stock in hand ...	419 6 0			
		£3,585	16	10
		£5,403	9	9

Balance-sheet at 30th June, 1904.

Liabilities.

		£	s.	d.
To the Colonial Treasurer, balance due ...		6,748	9	9
To balance per profit and loss account ...		588	16	4
Total ...		7,337	6	1

Assets.

		£	s.	d.
By building at cost ...		5,537	10	5
Furniture at cost ...		1,103	14	11
Glass crockery, linen, bedding, kitchen utensils, &c. ...		276	14	9
By Stock—				
Bar ...	£369 11 1			
House ...	49 14 11			
		419	6	0
		£7,337	6	1

Note.—No allowance has been made for depreciation in building, furniture, &c., or unexpired period of hotel licence.

Profit and Loss Account from Opening.

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GWALIA STATE HOTEL.

3rd June, 1903, to 30th June, 1904.

	£	s.	d.	£	s.	d.
1904.—Dr.						
June 30.—To house account, loss as under:—						
Expenditure to 30-6-04	£1,291	1	2			
Less stock in hand, 30-6-04	49	14	11			
	£1,241	6	3			
Less receipts to 30-6-04	390	2	0			
Balance loss				851	4	3
To balance profit, exclusive of depreciation				588	16	4
				£1,440	0	7
1904.—Cr.						
June 30.—By wines, beer, &c., account, profit as under:—						
Total receipts to 30-6-04 ...				5,416	1	1
Less expenditure to 30-6-04 ...	£4,369	15	3			
Less stock in hand 30-6-04	369	11	1			
				4,000	4	2
Balance profit				1,415	16	11
By billiards account, profit as under:—						
Total receipts to 30-6-04	186	3	0			
Less total expenditure to 30-6-04 ...	161	19	4			
Balance profit				24	3	8
Total				£1,440	0	7

Note.—No allowance has been made in building, furniture, &c., or unexpired portion of hotel licence.

I read a statement a few months ago to the effect that the Premier of Western Australia had said that the system had proved a great success. These figures, to my mind show that it has not. The *West Australian* points out that—

The total cost of building and furnishing, together with a few extras, was £6,748 9s. 9d., and the hotel is indebted to the Colonial Treasurer for that amount. In any discussion upon the financial outlook the matter of depreciation has to be kept in sight. It has been calculated that a year's depreciation would fairly represent, as regards £1,103 worth of furniture, £220; as regards £276 worth of glass, crockery, linen, &c., £92; and as regards the hotel building—in view of its dependence on the uncertain returns from a mining district—a sum of £320. The three amounts, £220, £92, and £320, make a total for depreciation of £632. It is not claimed that the latter figure represents the position with absolute accuracy, but the basis of computation in each case must be regarded as fair and reasonable. It becomes apparent, therefore, that the paper profit of £588 is entirely swallowed up by the amount representing annual depreciation, and that instead of a gain for the year under notice there has been a loss totalling something like £44. It has to be borne in mind, moreover, that a merchant would expect a return of 6 or 8 per cent. on his outlay after all expenses—including allowance for depreciation—has been met. It appears, then, that the expenditure of Government money on this project has not been a commercially profitable venture; that instead of there being any tangible gain, there has been a loss on the first year that must equal at least £400 or £500.

Mr. WATSON.—Is not that a consolation to the honorable member?

Mr. LEE.—Only to the extent that I hope it may lead honorable members to decide against State control of the liquor traffic in British New Guinea.

Mr. WATSON.—Surely the honorable member derives consolation from the fact that the quantity of liquor sold at the State hotel in Western Australia is insufficient to make it a payable concern.

Mr. LEE.—The report shows that the State has entered upon a traffic in which it should not be engaged.

Mr. ROBINSON.—Oh!

Mr. LEE.—It is all very well for the honorable and learned member to take the side of the publican.

Mr. ROBINSON.—I object, Mr. Chairman, to the gross reflection which the honorable member has cast upon me. I do not touch intoxicating liquor, and am not on the side of the publican.

The CHAIRMAN.—I did not hear the honorable member for Cowper cast any reflection on the honorable and learned member, but if he did I am sure that he will withdraw the remark.

Mr. LEE.—I do not know that I have cast any reflection on the honorable member.

Mr. WATSON.—The honorable member must not forget that publicans are against State control of the traffic.

Mr. LEE.—I am opposed to State control in this respect. If strong drink is to be sold, and the people are to be demoralized by it, the State certainly ought not to have anything to do with the traffic. We ought to stand by the principle which two successive Houses of Representatives have ratified. I can understand the anxiety of the Prime Minister that the Bill should be passed, and I think it augurs well that the first Constitution which we as a Parliament have had a hand in framing contains a provision for prohibition. I gave way to the Minister of Defence on the canteen question, in order that he might secure the speedy passing of the amending Defence

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Bill, but on this question I do not intend to give up anything. We must stand to our guns, and keep the prohibition flag flying. I disagree with the amendment, and hope that the clause will be carried as passed by us on a previous occasion.

Mr. McCOLL (Echuca).—The honorable member for Cowper stated several times that two Parliaments have passed this prohibition clause. That is not correct. It has been passed by only a section of the Parliament. If two Parliaments had passed it, it would have become law. I supported the prohibition of liquor in New Guinea when it was first proposed in this Chamber, and ever since, and pledged myself at the last election to support it. But I am now faced with this difficulty: The Commonwealth has taken control of the Territory, but until a Constitution is enacted, and things are brought into proper working order, that control cannot be complete, and the administration of affairs is not as satisfactory as it should be. The honorable member for Herbert has very pertinently inquired, "Why not pass the rest of the Bill?" The question we have to ask ourselves is, Are we justified, since we cannot at present enforce the particular principle of which we are in favour, in keeping affairs in New Guinea in a state of chaos from year to year? The Senate, as at present constituted, is no more likely to go back on its vote than we are. These are very serious considerations, whatever may be our views on the liquor traffic. It seems to me that if we wish to fulfil our responsibilities to the people of the Territory our wisest course is, in the meantime, to pass the Bill without the prohibition. If we reject it because the Senate will not comply with our request for prohibition, we shall gain nothing, while we shall lose nothing if we let the Bill pass without prohibition, and deal with this question again next session. No doubt the Government will give time for its consideration then, and if we can get the members of the Senate to change their minds on the subject, as I hope we shall, our object will have been attained, without in the meanwhile keeping the administration of affairs in New Guinea in a state of chaos. After the statements made by the Prime Minister and the leader of the Opposition, who, having been in charge of the Department of External Affairs, must be better acquainted with the facts relating to this Possession than is any other honorable member, it seems to me best to pass the Bill as amended by the Senate, leaving the liquor question to stand over until next session. I will support a compromise to that effect.

Mr. FISHER (Wide Bay).—The honorable member for Echuca, as an old Parliamentarian, must know that the arguments used by the Government in regard to this Bill are used by every Government which wishes to get rid of difficulties. What is done is to bring the Bill forward at a late period of the session, and then to say to those who are supporting some particular principle, "You have the alternative of sticking to your principle, or risking the loss of a very important and necessary measure." If this Bill is as important as it is said to be, and as I believe it to be, why was it not introduced earlier in the session, so that it could be properly discussed?

Mr. McColl. — The Government of which the honorable member was a Minister had an opportunity to have it dealt with.

Mr. FISHER.—I did my best to have it brought forward. It is now nearly three years since we passed the resolution in favour of taking over New Guinea. Do honorable members say that the Territory will suffer if we defer for a little longer the enactment of a Constitution for it?

Mr. Dugald Thomson.—We admit our incapacity to govern if we cannot pass a Bill of this kind to deal with the Territory.

Mr. FISHER. — The measure should have been introduced by Ministers at the proper time. Seeing that this is the first Constitution that we have been asked to pass, it would have been more statesmanlike to have had a special session for its consideration, than to ask honorable members to go back on their principles in regard to it, because of the urgency of passing it before this session closes. I have no objection to the State control of the liquor traffic. In my opinion, that is better than private control. I have, however, given certain pledges to my constituents in regard to this matter, and if I must decide whether the Bill shall pass, or whether I shall stand by my principles, I will choose the latter alternative. I would rather resign my seat, and contest the election again, in order that those who are the fountain of power may give their verdict on this question, than break my pledges.

Mr. BAMFORD.—What about the people in New Guinea?

Mr. FISHER.—It is unfortunate that they have to be legislated for by a Parliament which they have not elected. But have we any more right to pass any other provision relating to them than we have to pass the provision prohibiting the introduction of intoxicants into the Territory?

Mr. BAMFORD.—That is the most drastic provision in the Bill.

Mr. FISHER.—It has not been opposed with the virulence and unanimity that has characterized the opposition to the clause dealing with the alienation of land. I have great sympathy with those who differ from me, but there has been too much sneering on this subject. Although the Women's Christian Temperance Union may take an interest in the question, it must not be forgotten that the members of that union are citizens of the Commonwealth, and have a sincere regard for both our responsibilities and the interests of New Guinea. At the same time, their influence, though powerful, is not so strong as the vested interests of the liquor trade. I do not complain because those who are interested in the trade wish to safeguard their interests. They are carrying on an industry which is sanctioned by the laws of the Commonwealth, and they have a right to protect themselves in every lawful way. But in reply to the statement of the honorable member for Echuca, that the Prime Minister will allow us to decide this question next session, I warn honorable members that if it is not effectively dealt with in the Bill, it will be a long time before we have another opportunity to discuss and settle it. I feel bound to stand by my old position, even if the Bill must be sacrificed in consequence. After all, it is only delaying for another session the enactment of this Constitution, which, though of great importance, should be a measure which will stand for years. It has been said that in times of emergency a quarter of an hour may be as valuable as four or five years on other occasions. But this is not a national crisis which requires us to suddenly change our opinions to save the national honour or position. We are dealing merely with a machinery Bill whose enactment may be deferred without any great disturbance of the interests of either the Commonwealth or New Guinea.

Mr. JOHNSON (Lang).—I do not feel disposed to retreat from the attitude which I assumed in regard to this question when the measure was last before us, although I have every desire to assist the Prime Minister in passing the Bill. I am faced with this position, that I must either break an absolute and definite pledge given to my constituents, or, perhaps, allow the Bill to be sacrificed. The alternative is not a very pleasing one. While I wish to see the Bill pass, I am desirous of keeping faith with my constituents, and I feel that I cannot give way on a matter of principle. This question to me, whatever it may be to other honorable members, is vital. I fail to see that any good would come from adopting the suggestion of the Prime Minister, that we should let the Bill pass without this provision, discussing the matter again next session. We are now concerned in framing a Constitution for British New Guinea, under which the people will govern themselves, and if we passed the Bill without the provision inserted by this House, we should, when the subject comes up for consideration at a future date, be met with the objection, "The Constitution already passed by this Parliament allows the importation of liquor into New Guinea, and it would be unfair to deprive the people of the Territory of the rights which they are enjoying." Having promised to vote for prohibition, I must not recede from the position which I previously took up.

Mr. REID. — The honorable member's pledge did not amount to a refusal to assent to any form of government unless effect was given to this provision in the present session. Why not pass the Bill as it stands, and renew the fight on the liquor question next session? Nothing will be gained by those who are in favour of prohibiting the introduction of liquor into British New Guinea if the passing of the Bill is postponed for another six months, while without the Bill chaos in the administration of the affairs of that country must continue.

Mr. JOHNSON.—There is a great deal of force in that contention, but as I have promised definitely to vote for prohibition, I must repeat the vote which I have already given.

Mr. LONSDALE (New England).—My views on this question are as strong as those of any member of the House, and if it were possible to prevent the use of intoxicating liquor anywhere, I would do so. I voted for the prohibition clause in the Bill. I believe that prohibition may be made effective in civilized communities;

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but whether it could be applied to the circumstances of Papua is an open question. I voted for prohibition without any great enthusiasm, because I recognised that much of the testimony that was brought to bear on the subject showed that it was very difficult to control the liquor traffic in the Possession. I am a prohibitionist, but I do not consider that I shall violate my principles by adopting the course I now intend to follow. I do not believe in State control, but the conditions in Papua are of an exceptional character, and we are called upon to do our best for the people there, and particularly for the natives. We are told that the present ordinance works very well. I cannot quite agree with that statement, because it appears to me that an immense quantity of liquor is consumed there. At the same time, if the liquor traffic be controlled by ordinance, we shall be able to hold the Government directly responsible for any abuses that may arise, and it will be open to us at any time to introduce such modifications as may be suggested by experience. The question for us to consider is whether we shall risk the loss of the Bill—which contains a number of admirable provisions—by insisting upon absolute prohibition. Personally, I am prepared to compromise, and to concede the wishes of the Senate.

Mr. KNOX (Kooyong).—I think that it is incumbent upon us to do all we can to prevent the natives of New Guinea from obtaining intoxicants, and this end can be achieved only by exercising the very strictest control over the traffic.

Mr. Reid.—The present law works very well.

Mr. KNOX.—I shall vote as I did on a former occasion. It would be a calamity if machinery were not provided for properly controlling the liquor traffic in New Guinea.

Mr. BROWN (Canobolas).—I am a strong advocate of the prohibition of the drink traffic; but I must admit that the weight of the evidence tends to show that it is almost impossible to effectively prohibit the sale of liquor in British New Guinea. Failing prohibition, we should aim at insuring the most effective control. I believe that the Bill provides for exercising a more complete supervision over the traffic than that which at present exists, and doubtless it would largely eliminate the element of private gain. The conditions under which Papua is administered cannot be as satisfactory as we could wish, or we should not be invited to pass this measure. We are dealing not only with the drink traffic, but with the civil control of affairs in the Possession. In other words, we are giving Papua a constitution under which the Government is to be administered. I gather that the proposed constitution fairly meets the conditions, although I should have preferred to see provision for an elective Council. We are asked by the prohibitionists to sacrifice the whole of the other interests that are affected by the Bill, in order to pass a clause which will be fully satisfactory to them; but that would be pushing matters to extremes. Whilst we are strongly in favour of prohibition, the Senate favours a system of State control, and I think that under the circumstances we should proceed along the line of least resistance. There will be nothing to prevent our passing the Bill in the form desired by the Senate, and afterwards introducing an amending Bill to deal specially with the drink traffic. We have embodied in this measure the most important principle of the nationalization of the lands of the Possession, and that in itself is worth enacting, apart from every other consideration that may be involved in the measure. I am quite prepared to meet the Senate in this matter.

Motion, by leave, withdrawn.

Mr. REID.—I think I can now make a proposal which will meet the views of most honorable members. The first proposal to come before the Committee under the Senate's amendment will be that clause 21 be left out. The omission of the clause would simply throw us back upon the existing stringent prohibitory law against the supply of liquor to the natives, which provides for inflicting heavy penalties, including imprisonment. If we start the legislative machine provided for in the Bill, it will be necessary under clause 43 to reserve for the assent of the Governor-General any laws which may be passed by the Legislative Council relating to the supply of intoxicants to the natives. Under these circumstances, the Governor-General's advisers will become directly responsible to Parliament if they allow the present salutary laws to be altered. If honorable members agree to omit the present prohibitory clause, I shall not ask them to accept the clause proposed by the Senate to be inserted in lieu of it.

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Mr. WATSON.—Will that be acceptable to the Senate?

Mr. REID.—I shall have to risk that. I shall expect them to view the matter in the same light that we do. I feel that I ought not to ask the House to consent to carry out the views of the Senate, which are directly in conflict with those of a majority of honorable members. I propose that we should omit the present clause, and disagree with the Senate's proposal to substitute another, and that we shall consequentially also omit other clauses. I therefore move—

That the amendment leaving out clause 21 be agreed to.

Mr. McDONALD (Kennedy).—Unless a more satisfactory statement is forthcoming from the Prime Minister upon this question, I am not prepared to allow the Bill to pass. To my mind the Government are adopting a most unfair and undignified attitude. By a large majority this Committee decided to insert in the Bill a clause relating to the sale of intoxicants in New Guinea. What position does the Prime Minister now take up in regard to that provision? He does not say, "The Government refuse to agree with the Senate's amendment," but he proposes to accept that portion of it which eliminates the prohibition upon the sale of intoxicants which we inserted. He adds that he is prepared to allow the blank thus created to remain in the Bill, so that the matter may be open to further consideration. That means that the right honorable gentleman would gain his end by defeating not only prohibition, but also the State control of the liquor traffic.

Mr. McCOLL.—That is not a fair way of putting the matter.

Mr. McDONALD.—That is absolutely the position which the Prime Minister has taken up. It is idle to suggest that this subject could be brought forward by a private member next session. Unless the Prime Minister is prepared to make the question of the prohibition of the sale of intoxicants in British New Guinea the subject of a Government measure next session it will not be dealt with.

Mr. REID.—I thought that the honorable member was so very much in earnest about the Government of British New Guinea.

Mr. McDONALD.—So I am.

Mr. REID.—Then why not grant a Constitution to the Possession?

Mr. McDONALD.—I wish to make that Constitution as perfect as possible.

Mr. JOSEPH COOK.—Let us come to a vote upon the matter.

Mr. McDONALD.—I do not think that that suggestion is altogether a fair one. Honorable members will recollect that, a little while ago, there was a majority of thirteen in favour of imposing a prohibition upon the sale of intoxicants in British New Guinea.

Mr. JOSEPH COOK.—Some honorable members have gone over to the other side since then.

Mr. McDONALD.—I can understand the position of those who say, "There is no possibility of this Bill being passed into law, whilst it contains a provision in reference to prohibition, but there is a prospect of passing it if we subject the liquor traffic to State control."

Mr. WILSON.—We have State control of the traffic under present ordinances.

Mr. McDONALD.—Only to a very limited extent. Drink is being supplied to the natives of the Territory in a wholesale fashion.

Mr. WILSON.—The missionaries deny that statement.

Mr. McDONALD.—The missionaries admit that they are in favour of State control of the traffic; but they acknowledge that the present system of control is inadequate. Under the circumstances, the proper course for us to adopt is either to accept or reject the Senate's amendment. It has been urged that New Guinea must be granted a Constitution. I think that two years or more have elapsed since this Bill was originally introduced, but it is only now that an urgent appeal is made to grant the Possession a Constitution. Seeing that it has waited two years for a Constitution, surely it can wait another six months. The Prime Minister would then be in a position to take up this Bill during the first week of next session, and to deal with it thoroughly.

Mr. McCAY (Corinella—Minister of Defence).—I think that some misapprehension exists in regard to the exact position of affairs in connexion with this Bill. I speak as one who supported, and who strongly believes, in prohibition. But the fact is that in New Guinea things are just now in a state of transition. The Possession has not yet fully passed to our control. The result is that we are only able to carry on its administration under existing ordinances. It is true that this Bill was introduced two years ago, but every month which has since elapsed has rendered it more necessary that the existing

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state of affairs in the Possession should be ended. By 35 votes to 22 the Committee approved of a proposal to prohibit the sale of intoxicants there. The Senate by a majority of 21 to 13, inclusive of pairs, declined to accept that proposal. The position is that if the Bill contains no provision in reference to the sale of intoxicating liquors in New Guinea, the ordinances relating to that traffic, which are at present in force, will continue in operation. Those ordinances are very stringent——

Mr. ISAACS.—They may be altered at once.

Mr. McCAY.—Not without the consent of the Executive Government of the Commonwealth. Clause 43 provides that—

> The Lieutenant-Governor shall not assent to any ordinance of any of the following clauses, unless the ordinance contains a clause suspending its operation until the signification of the Governor-General's pleasure thereon :—
>
> . . . .
>
> (*g*) any ordinance relating to the supply of arms, ammunition, explosive, intoxicants, or opium to the natives.

There can be no alteration of the existing law without the consent of the Executive.

Mr. ISAACS.—But without the intervention of this Parliament, it can be altered at once.

Mr. McCAY.—The honorable and learned member seems to forget that the Executive should be left with some little responsibility, otherwise it would be useless. His views upon the responsibility of the Executive have undergone a very marked change during the past five years.

Mr. ISAACS.—Certainly not.

Mr. McCAY.—I recollect the time when the honorable and learned member was a Minister of the Crown, and when he entertained very much stronger views than he now does upon this question.

Mr. JOSEPH COOK.—Will the Minister inform the Committee what is the precise effect of the Senate's amendment?

Mr. McCAY.—I will deal with that matter presently. Clause 6 provides—

> Every Ordinance of the said Possession, or Act or Statute of the State of Queensland adopted as an Ordinance of the Possession, relating to any of the matters enumerated in section 43 of this Act—

That includes the supplies of intoxicants and opium to the natives—

> shall be forthwith submitted to the Governor-General, who may disallow any such Ordinance within three months from such submission, and such disallowance on being made known by the Lieutenant-Governor by Proclamation or by notification in the *Gazette* of the Territory shall annul the Ordinance from the day when the disallowance is so made known.

Consequently if we find that there is any ordinance in existence which offers facilities for the sale of liquor to the natives, the Commonwealth Executive may disallow it forthwith. If we do not insert in the Bill any provision regarding the control of the liquor traffic, we shall secure a Constitution under which no increased facilities for obtaining intoxicants can be provided without the consent of the Executive, and if any such facilities are accorded by the present ordinances they may be disallowed by the Governor-General. Knowing the strong opinion which is entertained by Parliament upon this matter, is it likely that the Executive would grant such facilities?

Mr. REID.—In any case, it would be a disgraceful thing to do.

Mr. McCAY.—The amendment made by the Senate does not provide for State control at all. It really constitutes a licence clause. It provides—

> Intoxicants may be purchased, imported into, manufactured, and sold in the Territory only by the Lieutenant-Governor or by officers duly appointed in that behalf, and under resolutions and conditions to be prescribed by the Lieutenant-Governor relating to the purchase, importation, manufacture, and sale thereof.

Mr. ISAACS.—Under that amendment, would a private person be empowered to purchase liquor?

Mr. McCAY.—I do not say that any private person could purchase liquor unless he was duly appointed by the Governor-General. "State control" is a phrase which is ordinarily used to apply to ownership and sale by some State agency.

Mr. ISAACS.—Could any person purchase liquor for his own personal use under this amendment?

Mr. McCAY.—That is another matter. In the first place, I desire to deal with the intention of the Senate. Practically that Chamber has not prohibited the sale of liquor at all.

Mr. JOSEPH COOK.—Why, nobody can purchase it under this amendment except the officials there.

Mr. McCAY.—Exactly. That point had previously escaped my attention. Under the Bill, as it has been amended by the Senate, I find that no person could obtain a drink even upon a doctor's order for medicinal purposes. That is an impossible situation. I do not think that we can agree to any such proposal. It is clear that we can-

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not accept that amendment as it stands. We may say to the Senate, "We will leave out our prohibition clause, which is not nearly so stringent as your own. The amendment made by you is so stringent that a sick man would have to be appointed an officer before he could obtain alcohol."

Mr. Joseph Cook.—Is the honorable and learned gentleman arguing against the amendment?

Mr. McCAY. — Against the Senate's amendment. We desire to secure this Constitution for Papua. If we pass it without any clause relating to the liquor traffic, we shall allow the operation of the ordinances with all these safeguards mentioned in clauses 6 and 43. We must either agree to omit the prohibition clause from the Bill, and trust to the ordinances to safeguard the liquor traffic, or the Bill will not be passed.

Mr. Johnson.—There is no chance for the medicine chest under the Senate's proposal.

Mr. McCAY.—There is not. The liquor question is one of the few upon which I hold very strong views. I say with a full recognition of my responsibility as a temperance man, that I feel that we ought not to insist upon the clause as originally passed by the Committee when the alternative is the loss of the measure. I find that the Senate's amendment does not express in the least degree what it was intended to express, but imposes a prohibition. The Senate meant to provide that the sellers should be controlled, but it has practically prohibited the trade.

Mr. Knox. — If the Bill be found unsatisfactory, will the Government give the House an opportunity in the coming session to reconsider the question?

Mr. McCAY.—It is always possible for any honorable member to bring in a Bill.

Mr. Reid.—We could not give any definite time, in view of the possibility of stone-walling, but we could allow reasonable time for the consideration of such a matter.

Mr. McCAY.—If our proposal be accepted, the Government will undertake to give reasonable time to consider an amending Bill in the early part of next session, so that the House may be able to fight out this question again. This will not settle the question for good and all. We can amend the Constitution of Papua at any time, and the Government undertake to give a reasonable time in the early part of the coming session for the consideration of this question, so that honorable members may thresh it out as between themselves and another place. I therefore urge honorable members to accede, not only to the wishes of the Prime Minister, whose view of this question is the opposite of my own, but to those of members of the Government who share the view of the majority on this question. We ask them to adopt this course, in order that we may set to work with our legislative arrangements for the development of the Possession. It is on these grounds that I make any appeal to the Committee.

Mr. CROUCH (Corio).—I do not think the Government know where they are in this matter. The Prime Minister desires that clause 21 shall be struck out, but I hope that the Committee will stand by its previous decision. The question of State control of the liquor traffic of Papua was fought out on the amendment moved by the honorable member for Herbert—which was defeated by eight votes—and the clause was finally carried by a majority of thirteen votes. The proposal of the Government that the traffic should be left under a sort of State control is one of so socialistic a character that if it had been made by any other Ministry there would have been a loud outcry against it. I do not know why we should prorogue to-day.

The CHAIRMAN.—That is not the question before the Chair.

Mr. CROUCH.—I am very sorry that we have not made one more determined effort to shift this crowd.

Mr. Reid.—The honorable member will shortly be shifted to Corio for six months.

Mr. CROUCH.—It is lamentable that a Government which is so much distrusted should be allowed to go into recess to administer the affairs of the country for the next six months. The Minister has said that this is a vital part of the Bill. If the Government are prepared to make it a vital question, let us make one final effort. I wish the Government to protect the rights of the House by standing by the prohibition clause, which was carried by a majority of thirteen votes. I shall vote for that clause, and trust that the honorable member for Cowper will stand by it. This will be practically our last opportunity to bring the principle of prohibition into operation in Papua, and even if it is only by way of protest against the action of the Government, I trust that the matter will be pressed to a division.

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Mr. ISAACS (Indi).—The Minister has pointed to certain provisions in this Bill, and while I think that there is a good deal of force in some of his observations, I do not consider that they go far enough. It is quite true that under clause 6 the laws in force will remain until altered, and that under clause 43 any ordinance relating to the supply of arms, ammunition, explosives, intoxicants, or opium to the natives requires the signification of the Governor-General's pleasure. But that leaves the door entirely open. It leaves the Lieutenant-Governor perfectly free to make any order he likes, without the assent of the Governor-General, as to the supply of liquor to any persons other than natives. The moment that is done, the door will be left wide open. He will be able to make any order he likes, at the discretion of the white residents, to allow persons who are not natives to obtain it.

Mr. REID.—He may import a thousand hogsheads of whisky to give to the natives; he may do all sorts of extraordinary things.

Mr. ISAACS.—Then he is not the only one who does extraordinary things. I think it is the duty of the Parliament to check such a power.

Mr. REID.—Some of the honorable and learned member's extraordinary things have not come off.

Mr. ISAACS.—Our duty is to do the best we can, without leaving any loop-hole, for the natives of Papua. I do not think we should leave it open to this or any other Government to exercise its discretion as it may think best, with regard to any ordinance that may come from the Lieutenant-Governor. It would be a very serious thing for the Commonwealth to veto an order of the Lieutenant-Govenor of the Territory. Another point which I think is pertinent to the question raised by the Minister of Defence is that I am not sure whether, in our hurry to pass this Constitution, we are not doing something that is *ultra vires;* I am not sure that we can delegate such enormous legislative powers as are sought to be delegated by this Bill. I think it will be a matter for judicial interpretation, if this Bill be passed, whether we have not gone too far. Under section 122 of the Constitution, we have power to make laws for the government of the Territory; but whether we can delegate the power to make laws in a legislative sense is a very important consideration. The provisions for carrying out the present ordinances in relation to liquor are not sufficient to give effect to the present intention of the Committee. If we are of the same mind as we were before—if we still think that the clause is a proper one to insert in the Constitution—we ought to stand by it.

Mr. DUGALD THOMSON.—Then we shall leave things as they are.

Mr. ISAACS.—But the point is——

Mr. MCCAY.—Without the Bill the Lieutenant-Governor could do all the heinous things the honorable and learned member says he could do if the Bill became law.

Mr. ISAACS.—I do not think that he could. We are purporting to give him far more extensive powers. We are framing a Constitution for Papua, and it seems to me that we should not shirk the responsibility of adhering to a very great principle, and of fulfilling a duty, which I conceive to be of a very high character, with regard to the natives of the island.

Mr. ROBINSON (Wannon).—I trust that in the closing hours of the session there will be some show of temperance on the part of the supporters of the principle at issue. The position seems to me that at present the Lieutenant-Governor has power, among other things, to impose ordinances regarding the sale of liquor. But if this Bill be not passed, he will continue to have that power. There is no possibility of securing the Senate's acceptance of the clause as passed by this Chamber. The Senate has unmistakably indicated that it has adopted what it conceives to be a better way, in the interests of true temperance, to restrict the sale of liqour in the Territory. At present there are ordinances in force which, on the testimony of missionaries and others, have been shown to be effective to a very great extent in checking the sale of liquor. If we pass the Bill without the clause relating to the liquor traffic, those ordinances will remain in force, while if we pass the Bill as amended by the Senate, there will be a still greater restriction of the traffic. I am prepared either to leave things as they are, or to agree to the Senate's amendment.

Mr. ISAACS.—Or to vote for the clause as passed by us?

Mr. ROBINSON.—The honorable and learned member must recognise that it is impossible during the present session to secure the acceptance of that clause by another place. An hour and a half hence the Governor-General will attend to knock the proceedings of this session on the head

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--much to the relief of the public of Victoria.

The CHAIRMAN.—I must ask the honorable member not to discuss that matter.

Mr. ROBINSON.—Then perhaps I had better say that the Governor-General will attend to bring the proceedings of the session to a close, not to the relief of the people of this State.

Mr. CROUCH.—Is the honorable member in order in intimidating the Committee by a threat that if we do not do a certain thing the Governor-General will prorogue the Parliament?

The CHAIRMAN.—I do not think that any remark made by the honorable and learned member was in the nature of intimidation.

Mr. ROBINSON.—I shall not detain the Committee longer. I ask that in the interests of temperance we may be allowed to come to a settlement of this question.

Mr. HUTCHISON (Hindmarsh).—I do not like the idea of losing the Bill, but I do not think that we shall lose the Bill by insisting on our amendment. The Senate have shown their willingness to accept an even more drastic provision. They would even prevent a sick man from obtaining liquor to be used medicinally.

Mr. MCCAY.—They would agree to an amendment which would remedy that mistake.

Mr. HUTCHISON.—I do not wish to give way in regard to an amendment which was carried in this Chamber by a substantial majority. The attitude of the Senate seems to show that they could not have given the question proper consideration. It is all very well to say that the ordinances are drastic, and that we should obtain State control; but, although I am in favour of State control, New Guinea is about the last place wherein I should like to try the experiment. I ask the Committee to give the Senate another opportunity to see the absurdity of their own amendment. Then, perhaps, they will accept our clause.

Mr. JOSEPH COOK (Parramatta).—I cannot congratulate the Government on their attitude in regard to this matter. The Prime Minister and the leader of the Opposition seem to have formed an unholy combination, to be revenged on the honorable member for Cowper, the new leader whom we are proud to follow on this question.

Mr. ROBINSON.—He agreed to a compromise early this morning, and now he wishes to get out of it.

Mr. JOSEPH COOK.—We have, by an overwhelming majority, agreed to apply the principle of prohibition to Papua, and the Prime Minister and the Minister of Defence have permitted as much time to be occupied this morning in discussing their proposal to disagree to the Senate's amendment as would have allowed us to send back the Bill to the Senate to ascertain their further views on the subject. As we have pronounced by such a large majority in a certain direction, we should send the Bill back to the Senate with the least delay. Then, if the Senate insist on their amendment, it will be for us to consider whether we should give way, or sacrifice the Bill. The Government should, however, first exhaust the constitutional resources at its command, to try to give effect to the will of this Chamber. That has not yet been done.

Mr. MCDONALD (Kennedy).—The Government have not met the Committee in a proper spirit. Last Parliament the prohibition clause was carried by an overwhelming majority, and the Barton Government, because they did not approve of that clause, consigned the measure to the waste-paper basket. We received no intimation then that it was absolutely necessary to at once pass a Constitution for New Guinea. We were not told that the Territory was yearning for a Constitution. Then the Bill was re-introduced, and honorable members showed more determination than before in regard to this question. Now, however, the Senate has made an amendment, and we are asked to go back on what we have resolved. If we agree to a portion of the Senate's amendment, honorable members in another place will have to take the question into consideration again. Is it not reasonable to suppose that, as the Senate passed its clause with a large majority, it will not back down?

Mr. MCCAY.—Members there are as reasonable as we are.

Mr. MCDONALD.—I regard this as a cunning move on the part of the Government. They will then be able to send the Bill back to the Senate, and in the event of a further disagreement between the Houses, they could, if they wished to do so, force a double dissolution. Of course, they might not consider the measure of sufficient importance to do that, but it would be always within their power to do it. I am prepared to take a vote on the first amendment; but if we are defeated in

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regard to it, I shall be ready to go even to the length of stone-walling the Bill until the hour of prorogation arrives.

Mr. KNOX (Kooyong).—The Prime Minister has given the assurance that if we are not successful in enforcing our amendment, which we carried by an overwhelming majority on two occasions, we might agree to the excision of the clause in order that a Constitution may be given to New Guinea, allowing the matter to be considered again next session. The ordinances now controlling the liquor traffic there will still continue in force, and I therefore suggest that we should vote against the amendment of the Senate, with a view to retaining our original proposal. If we fail, we can vote for the omission of the clause. We shall be then in no worse position than we should be if the Bill were talked out. I suggest that we stick to our original provision, and if we do not obtain what we want, let us rely on the assurance of the Government that they will bring in an amending Bill next session.

Mr. CROUCH (Corio).—I wish to know from the Minister of Defence if his promise will be as well kept as that made by the Prime Minister on the 8th December, when he said that honorable members would be afforded an opportunity to discuss the scope of the Tariff Commission before Parliament prorogued?

The CHAIRMAN. — The honorable member, in addressing himself to the question before the Chair, is, of course, allowed incidentally to ask questions of Ministers; but it is not in order to ask a categorical question of this kind in regard to an irrelevant matter.

Question—That clause 21 be left out—put. The Committee divided.

Ayes	21
Noes	20
Majority	1

AYES.

Bamford, F. W.	Skene, T.
Brown, T.	Smith, B.
Deakin, A.	Spence, W. G.
Kelly, W. H.	Thomson, D.
Lonsdale, E.	Thomson, D. A.
Mahon, H.	Watson, J. C.
McCay, J. W.	Wilks, W. H.
McColl, J. H.	Wilson, J. G.
McLean, A.	*Tellers:*
Reid, G. H.	Frazer, C. E.
Robinson, A.	Phillips, P.

NOES.

Chapman, A.	Johnson, W. E.
Cook, J.	Knox, W.
Cook, J. N. H. H.	Lee, H. W.
Crouch, R. A.	Maloney, W. R. N.
Edwards, R.	O'Malley, K.
Ewing, T. T.	Poynton, A.
Fisher, A.	Thomas, J.
Gibb, J.	
Glynn, P. McM.	*Tellers.*
Hutchison, J.	Fowler, J. M.
Isaacs, I. A.	McDonald, C.

PAIR.

Higgins, H. B.	Tudor, F. G.

Question so resolved in the affirmative.

Motion agreed to.

Motion (by Mr. REID) proposed—

That the amendment inserting new clause in lieu of clause 21 be disagreed to.

Mr. FRAZER (Kalgoorlie).—I sincerely hope that the Government will not precipitate a disagreement with the Senate upon this important question. The Committee have adopted the sensible course of removing the clause originally inserted, but I fail to see any justification for the extreme step now proposed.

The CHAIRMAN.—Order! I would ask honorable members not to violate the Standing Orders by walking about the chamber, or by conducting conversations in a loud tone of voice.

Mr. FRAZER.—The Prime Minister has stated that the new clause proposed by the Senate would be unworkable, but I submit that by means of a slight alteration it can be made perfectly effective. There is some doubt as to whether the new clause as it stands would prohibit the sale of liquor to persons other than those specially mentioned. The intention might be rendered perfectly clear by the insertion after the word "purchased." of the words "for the purposes of trade." The clause would then provide that intoxicants might be purchased for the purposes of trade, imported into, manufactured, and sold solely by the Lieutenant-Governor, or officers acting under his authority. Thus the traffic would be carried on by Government officers under Government supervision, and I think that we should be prepared to go thus far in order to meet the views of the other Chamber.

Mr. McCAY (Corinella—Minister of Defence).—I quite agree with the honorable member that his suggested amendment would assist in making clear what I have no doubt was the intention of the Senate. But even if we take the clause to mean what we presume is intended, namely, that

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the Governor-General and his officers shall be entitled to purchase liquor for the purpose of importation into the Territory, the clause will afford no effective safeguards beyond those already provided for under the existing law. It will not in the least degree control the sale of liquor to the natives or whites.

The CHAIRMAN.—Order. We have nearly reached the end of our work, and in the interest of public business I would suggest that those honorable members who wish to conduct conversations should retire from the chamber, instead of interfering with the course of the debate. I may as well intimate now that I intend to name the next honorable member who offends in the manner indicated.

Mr. McCAY.—Under the new clause, the Lieutenant-Governor may license any one he likes as an importer of liquor. Provision is made merely for a system of licences under another name—for the practical perpetuation of the existing system. The clause does either that or nothing, and those honorable members who think that it will bring about the nationalization of the liquor traffic are labouring under an entirely wrong idea. The mere substitution of a man called an officer for a man called a licensee will not effect any real change. I prefer to accept the ordinances as they stand, and fight out the question of prohibition next session. I would again appeal to honorable members to assist in passing the Bill, which will give the Possession the benefits of a much-needed Constitution.

Mr. FRAZER (Kalgoorlie).—The Minister, whilst expressing a desire to pass the Bill, is really endangering it by proposing to reject a proposal which has been agreed to by a two-to-one vote in the other Chamber. I do not agree with the Minister that the clause will not take us a step forward in the direction of nationalizing the liquor traffic. I think that it will be best to adopt the Senate's proposal, with the explanatory words I have suggested. I therefore move—

> That the following words be added :—" but that the amendment be amended by inserting after the word 'purchased,' line 1, the words 'for the purposes of trade.'"

Mr. McDONALD (Kennedy).—I should like to know the real meaning of these words. It appears to me that we are getting into a greater tangle than ever. That fact merely serves to show how necessary it was that the Committee should adhere to its original decision. Practically no reasons have been given in support of the amendment of the honorable member for Kalgoorlie.

Mr. HUTCHISON (Hindmarsh).—I do not think that the honorable member for Kalgoorlie realizes the effect of his proposal. It seems to me that if it were adopted no person in New Guinea would be able to purchase liquor for his own consumption.

Mr. Frazer.—Nonsense.

Mr. McCAY (Corinella—Minister of Defence). — I accept the amendment of the honorable member for Kalgoorlie, because in its present form the clause is open to the interpretation that no person other than the Lieutenant-Governor or an authorized officer can purchase intoxicants in New Guinea. I think that we should adopt any amendment which will have the effect of making the intention of the Senate somewhat clearer. My acceptance of the proposal of the honorable member does not alter the attitude which the Government assume towards the amendment of the other Chamber. That amendment merely substitutes a person who is called an "officer" for one who is called a "licensee," and therefore it is unsatisfactory. I do not desire that the clause shall be open to the interpretation that the purchase of a dram of liquor for a sick man is absolutely forbidden.

Mr. ISAACS (Indi).—There is no doubt that to a certain extent what the Minister has said is right. But I would point out that whereas the amendment of the Senate would prevent any person other than the Lieutenant-Governor, or an authorized officer, from purchasing any liquor whatsoever, the proposal of the honorable member for Kalgoorlie would leave its purchase absolutely free of all restrictions.

Mr. McCay.—For white people.

Mr. ISAACS.—For any person. It draws no distinction whatever as to colour. I do not know that the Lieutenant-Governor would have power to impose any restriction upon the purchase of liquor, except to insist that it should be purchased for sale. Seeing that when intoxicants are purchased for the purposes of trade, he may make regulations dealing with the matter. I think there would be a strong implication that he ought not to make regulations for any other purpose. My own idea is that the adoption of the amendment of the honorable member for Kalgoorlie would weaken the clause.

Mr. McCay.—What about the provision in its present form?

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Mr. ISAACS.—In my opinion, it goes altogether too far in the other direction.

Amendment (by Mr. CROUCH) proposed—

That the amendment (Mr. Frazer's) be amended by leaving out the word "trade" and inserting in lieu thereof the words "medicine only."

Mr. McCAY.—I would point out to the honorable and learned member that the adoption of his proposal would produce a very remarkable result. It would provide that any person in the Territory could purchase intoxicants, except for medicinal purposes, and that the only individual who could obtain them for those purposes would be the Lieutenant-Governor.

Mr. GLYNN (Angas).—It seems to me that it is not possible to give effect to the desire of the Senate. Consequently, I suggest that the matter should be allowed to stand over until next session, upon the understanding that the Governor-General will be requested to issue instructions to the Lieutenant-Governor of New Guinea, not to assent to any Bill which would increase the facilities for the sale of intoxicants.

Mr. McCAY. — The honorable and learned member means any Bill making liquor more easily obtainable.

Mr. GLYNN.—Any Bill against the desire of the House not to suspend prohibition, but to keep the existing ordinances in force.

Mr. McCAY.—I willingly give the undertaking that the Government will exercise whatever power the Executive possesses under this Bill, to prevent liquor ordinances which would in any way increase the facilities for obtaining liquor in British New Guinea, if honorable members will in return allow us to carry our proposals and secure the sanction of the Senate to them. We will exercise all our powers to prevent any interference with existing liquor ordinances that would in any way increase facilities for obtaining liquor. The Government undertake to do that, and everything reasonably within our power to insure that the manifest desire of both Houses of the Parliament, although that desire has been expressed in different terms, shall be carried out. If honorable members will accept that assurance and agree with our suggestions, we may yet secure the passing of the Bill.

Mr. McDONALD (Kennedy).—I think, Mr. Chairman——

Mr. McCOLL.—More time wasting.

Mr. McDONALD.—I appeal to you, Mr. Chairman, to protect me.

Mr. McCOLL.—We must at once brand the honorable member.

Mr. McDONALD.—If I am to be continually insulted by the honorable member for Echuca, I shall have to retaliate. I presume that there is a certain degree of sincerity in the statement of Ministers that they are anxious that this Bill should be passed, although it is singular that we have never been told before that a Constitution for Papua is such an exceedingly urgent matter. If the Government are sincere, they should give the Committee a distinct promise that one of the first Bills to be introduced next session will be one to prohibit the sale of liquor in British New Guinea.

Mr. FRAZER.—How can they do that when they are divided on the question?

Mr. McDONALD.—I am putting a question to the Minister. The Minister of Defence knows very well that it is practically impossible for a private member to secure the passing of a Bill

Mr. McCAY.—We have promised to give reasonable time.

Mr. McDONALD.—Did not the Government give what they thought was a reasonable time to the honorable member for Eden-Monaro, to secure the passing of the Manufactures Encouragement Bill?

Mr. ROBINSON.—An unreasonably long time.

Mr. McDONALD.—It would be impossible for a private member to carry such an important Bill through, and I think the Government should give a promise that, if their proposals be agreed to, they will, early next session, introduce a Bill prohibiting the sale of intoxicating liquors in New Guinea. I do not ask them to be responsible for it. All that I urge is that they should introduce it as a Government measure, and hand it over—if they desire to do so—to the care of an honorable member, just as they have handed over other Bills. If that were done, the Bill could be considered in the time allotted to Government business, and we should have some guarantee of its being passed. Unless we carry a prohibition clause in this Bill, I fear that an opportunity to secure the prohibition of the liquor traffic in New Guinea will be indefinitely postponed. I appeal to the Minister as one who favours prohibition, to give us the assurance which I seek. If he will do so, I shall be prepared to come to a vote.

Mr. HUME COOK (Bourke).—I would ask the Minister of Defence whether he

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thinks it is fair, in the closing hours of the session, when there are only a few honorable members present, to ask us to reverse a decision which was arrived at by a large majority of the Committee.

The CHAIRMAN.—We are now dealing with an amendment upon the Senate's amendment.

Mr. HUME COOK.—The amendment would deliberately reverse a decision that has been arrived at by this House on two occasions by a substantial majority. This morning we adopted a standing order which would give the Government power to bring this Bill forward in the early part of next session. I do not think we should be justified in reversing a decision of the House—a decision arrived at by a substantial majority—by one vote, as was the case this morning.

Mr. CROUCH (Corio). — The amendment I have moved means a fight between health and sanitation and trade materialism and commercialism. It is a case of medicine *versus* trade. The Government, true to their commercial instincts, stick to trade, and care nothing for the sufferings of the sick, who, if their proposal were adopted, might not be able to secure the stimulants necessary for their recovery. The honorable member for Melbourne Ports, who has always been an enthusiastic supporter of temperance legislation, and was really responsible for this temperance provision, is absent in the discharge of his duty, as a member of the Royal Commission on the Navigation Bill, and it seems to me that it would be a great mistake not to allow the Bill to stand over until next session. I ask the Government, however, to accept my amendment, for it would really meet the desire of the Committee. The Ministry, apparently, are not prepared to accept it, simply because of a fad. They are prepared to sacrifice the opportunity to obtain a Constitution for Papua this session, simply because of a desire to stand by trade. I propose that we should say, in effect, to the Senate, "We will accept your amendment, but we desire that alcohol shall be available in Papua for the purposes of medicine." In view of all the circumstances, I appeal to the Government to accept my amendment, which would be beneficial alike to the natives and the white residents of Papua. As I desire to see the Committee proceed to a division, because the principle at stake is a very important one, I shall refrain from further occupying the attention of honorable members.

Mr. McCAY.—If the honorable and learned member be in earnest, and I presume he is, he is professing a desire to secure that liquor shall be used in British New Guinea only for medicinal purposes. He proposes to secure that result by an amendment which provides that any one in New Guinea, except the Lieutenant-Governor and those appointed by him, may purchase liquor for any but medicinal purposes.

Amendment of the amendment negatived.

Mr. HUME COOK (Bourke).—The amendment of the honorable member for Kalgoorlie, which is now before the Committee, provides for the insertion of certain words, which will have the effect of permitting trading to be done in regard to intoxicants and opium.

Mr. ISAACS.—Not in regard to opium.

Mr. HUME COOK.—We carried in clause 21 a provision restricting the trafficking in liquor or opium.

No intoxicants or opium shall be allowed to be imported into or manufactured or sold or otherwise disposed of in the Territory except as hereinafter mentioned.

The honorable member for Kalgoorlie proposes, in effect, to negative that.

The CHAIRMAN.—The Committee has already agreed to the omission of clause 21.

Mr. HUME COOK.—By a majority of only one vote, obtained by a snatch division in a thin Committee.

The CHAIRMAN.—The honorable member must not reflect upon the decision of the Committee. I ask him to confine his remarks to the amendment.

Mr. HUME COOK.—Is it not a fact that the original provision, which has now been reversed by a majority of one, was agreed to by a majority of something like thirteen?

The CHAIRMAN.—We are now dealing, not with clause 21, but with a new clause, which the Senate has inserted in lieu of it, and which the honorable member for Kalgoorlie proposes to amend. I ask the honorable member to discuss the amendment.

Mr. HUME COOK.—I am afraid that if we insert the words proposed to be inserted by the honorable member for Kalgoorlie, we shall pave the way for illicit trafficking in liquor and opium, which is

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the reverse of what was intended by honorable members when they agreed to clause 21 in a full Committee. At the present time not half of our members are present. It would be unfair to those who are absent to agree to the insertion of these words. I register my protest against the proposal, and shall divide the Committee upon it.

Question—That the words proposed to be added (Mr. Frazer's amendment) be added—put. The Committee divided.

Ayes	22
Noes	14
Majority	8

AYES.

Brown, T.	Smith, B.
Deakin, A.	Smith, S.
Fowler, J. MacK.	Spence, W. G.
Glynn, P. McM.	Thomson, D.
Harper, R.	Thomson, D. A.
Kelly, W. H.	Watson, J. C.
Mahon, H.	Webster, W.
McCay, J. W.	Wilson, J. G.
McColl, J. H.	
McLean, A.	*Tellers.*
Phillips, P.	Frazer, C. E.
Skene, T.	Robinson, A.

NOES.

Chapman, A.	Maloney, W. R. N.
Crouch, R. A.	McDonald, C.
Edwards, R.	O'Malley, K.
Fisher, A.	Thomas, J.
Gibb, J.	
Hutchison, J.	*Tellers.*
Johnson, W. E.	Cook, J. N. H. H.
Lee, H. W.	Tudor, F. G.

PAIRS.

Wilks, W. H.	Isaacs, I. A.
Reid, G. H.	Poynton, A.

Question so resolved in the affirmative.

Amendment agreed to.

Mr. ISAACS (Indi).—I think that we are getting into a fearful tangle in regard to this Bill. If the clause be accepted in the form proposed, there will be the almost necessary implication that liquor may be purchased by any person without restraint of any kind whatever, so long as it is not purchased for the purposes of trade. Honorable members should distinctly understand that by adopting the proposed new clause, we should not only reverse the votes given when the Bill was formerly under discussion, but do exactly the opposite of what was then desired. I think the proposal is a dangerous one, and in order to modify it I move—

That the following words be added:—"And by inserting after the word 'behalf,' line 4, the words 'and only for purposes of medicine.'"

I do not wish to see the clause adopted, but as it may be accepted by the Committee, I desire to render it as innocuous as possible.

Mr. CROUCH (Corio).—Do the Ministry intend to apply the Gothenberg system?

Mr. McCAY.—The Government do not propose to accept the clause in any form.

Mr. CROUCH.—In that case, we might as well report progress. I cannot understand why the Ministry should take up the unreasonable attitude of opposing the adoption of the Clause proposed by the Senate.

Mr. WATSON (Bland).—Whilst I am in favour of State control of the liquor traffic in New Guinea, I think that in our desire to confer some kind of Constitution upon the Possession, we may reasonably forego our wishes in regard to the liquor traffic.

Amendment agreed to.

Motion, as amended, agreed to.

Senate's amendment inserting new clause disagreed to.

Clauses 22 and 23 (Prohibition against supply of intoxicants or opium to, or possession by, natives).

Senate's Amendment.—Leave out clauses 22 and 23.

Motion (by Mr. McCAY) proposed—

That the amendment be agreed to.

Mr. ISAACS (Indi).—I am surprised that the Minister should propose to agree to this amendment. The Senate propose to strike out clauses which specially prohibit intoxicants from being sold to natives, and, further, prohibit natives from having intoxicants or opium in their possession.

Mr. McCAY.—Will the honorable and learned member permit me to explain? These two clauses are a verbatim copy of clauses 2 and 4 of the prohibitive ordinance of the 17th September, 1888. Those provisions are already embodied in the law of New Guinea, and we provide in clauses 6 and 43 of the Bill that any law relating to the supply of intoxicants or opium to the natives shall not be altered without the consent of the Commonwealth Government. If the Constitution embodied in the Bill is not adopted, the ordinances at present in force cannot be altered at all. That is why we say it is unnecessary to repeat them.

Mr. ISAACS (Indi).—I am perfectly aware of what the Minister has stated, but I contend that it is our duty not to intrust this question to any Government. We ought to adhere to our resolution to make

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tion of the policy we intend to adopt towards the natives with respect to intoxicants. We are assuming a very serious responsibility, and I think that we should adhere to the important provisions that now appear in the Bill. If they are included among the present ordinances, what possible objection can there be to retaining them?

Mr. McCay.—The object is to meet the wishes of the Senate.

Mr. Reid.—May I suggest to the honorable and learned member for Indi that we might leave the Bill at this stage until next session. If we report progress now we shall avoid the risk of the Bill lapsing and, therefore, going off the business-paper.

The CHAIRMAN.—Before progress is reported, I desire to thank honorable members very sincerely for the great assistance they have given me during the session which is just about to close, and I also desire to convey my gratitude to those honorable members who have from time to time relieved me of my duties in the chair.

Progress reported.

POLICE: OVERTIME.

Mr. MALONEY. — With the permission of the House, I desire to ask a question of the Prime Minister. I understand that the policemen who are on duty at the House are not paid for more than eight hours' duty per day, although they may be kept here for eighteen hours on end. I am sure that no honorable member desires that. I would, therefore, ask the Prime Minister if he can see his way to communicate with the State Premier, with a view to entering into some arrangement for removing an injustice that has been too long perpetrated.

Mr. REID.—The honorable member brought this matter under my notice this morning, and if his representations are borne out, I shall take the responsibility of seeing that the men are properly remunerated.

TARIFF COMMISSION.

Mr. ISAACS (Indi).—I desire to say a word or two with regard to the Tariff Commission. I quite recognise that the Government have accepted the responsibility for the appointment of the Tariff Commission, both as to its *personnel* and its scope. I need hardly say that we are not altogether satisfied with the frame of the Commission. which honorable members upon this side of the House desired to see expressed in that document.

Mr. McColl. — The honorable and learned member has had some days in which to urge his objections.

Mr. ISAACS.—I should like to express my opinion upon this matter in as few words as possible. In the terms of the Commission an expression is used which will enable the members of that body to range over the whole Tariff from top to bottom. I do not agree with that idea. I do not think that any necessity has been shown for the adoption of such a course. Personally, I am of opinion that it will be conducive to unrest and instability in commercial circles, and that it may lead to the disorganization of trade, through a fear —more or less real—that business relations——

Mr. Reid.—The honorable and learned member does not object to these evils in regard to some industries, whose interests he wishes to conserve.

Mr. ISAACS.—We desire to correct what we regard as evils incidental to the operation of the Tariff—evils which are working a great deal of damage, not only to commerce, but to labour in various industries. I should have preferred to see the scope of the Commission's inquiries confined to those portions of the Tariff in which relief has been shown to be necessary. However, the Prime Minister has included in the terms of the commission issued to the members of that body, a preamble which is in the nature of an exhortation to them to confine their attention to a more limited field than is embraced in the operative part of the Commission. I hope that that preamble will be acted upon. A request is also made that the Commissioners will furnish a report without unnecessary delay. That, too, I trust, will receive due attention. It seems to me that the Government have, to a large extent, transferred the responsibility for doing the right thing to the shoulders of the Commission. I hope that its members will prove equal to the discharge of their trust.

Mr. Reid.—The honorable and learned member might write a letter to them, telling them how they should go to work.

Mr. ISAACS.—I have practically said all that I desire to say. I repeat that

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honorable members upon this side of the House accept no responsibility in connexion with the constitution of that Commission. We have done the best that we can uuuer the circumstances, and we trust that its labours will be productive of better results than we anticipate.

Mr. DEAKIN (Ballarat).—I do not regard the reading which has been adopted by the honorable and learned member for Indi as the only construction which can be placed upon the terms of the Commission. I am inclined to thing that charter can be read in precisely the form in which—judging from his arguments—he desires it to be read. First of all, it contains an intimation to the Commission that complaints have been made that industries are being injured by the operation of the Tariff. Those complaints, I assume, will naturally receive priority of treatment. A general phrase follows, but it conveys no instruction to the Commission to institute a search where a search is not called for. I would remind the honorable and learned member that the Tariff Commission will occupy, to a large extent, the position of a Court. A Court does not go over the country inquiring into a variety of matters concerning which there is no complaint; and I assume that it will be the first and perhaps the only duty of this Commission to investigate complaints made.

Mr. ISAACS.—But inasmuch as its Chairman has not a casting vote in regard to the adoption of the report, the Commission falls very far short of presenting an analogy to a Court.

Mr. DEAKIN.—I expressly desired and contended that any Commission of this character should be merely in the nature of a Court of Inquiry. The casting vote with the safeguards introduced is therefore of little value. Personally, I decline to be bound by its report, or by that of any other Commission, and that is why I take no exception to its *personnel;* realizing, as I do, the difficulties which surround the appointment of the Commissioners, it seems to me that they have been as fairly chosen as we could expect under the circumstances.

PROROGATION.

The USHER OF THE BLACK ROD being announced was admitted, and delivered the message that His Excellency the Governor-General desired the immediate attendance of honorable members in the Senate chamber.

Mr. SPEAKER, accompanied by honorable members, then proceeded to the Senate chamber, where His Excellency the Governor-General was pleased to deliver a speech (*vide* page 8588), declaring Parliament prorogued until the 21st January, 1905.

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